Marksans Pharma Ltd.

28th August, 2019

BSE Limited
Corporate Relation Department
Phiroze Jeejeeboi Towers,
Dalal Street,
Mumbai – 400001.
Scrip Code: 524404

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.
Symbol: MARKSANS

Dear Sir/Madam,

Sub: Submission of Annual Report for the Financial Year 2018-19.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith kindly find Annual Report of the Company for the Financial Year 2018-19.

You are requested to note the above in your records.

Thanking You,
For **Marksans Pharma Limited**

Harshavardhan Panigrahi
Company Secretary

Enclosed as above

MARKSANS PHARMA LIMITED

ANNUAL REPORT 2018-19

Marksans Pharma Ltd.

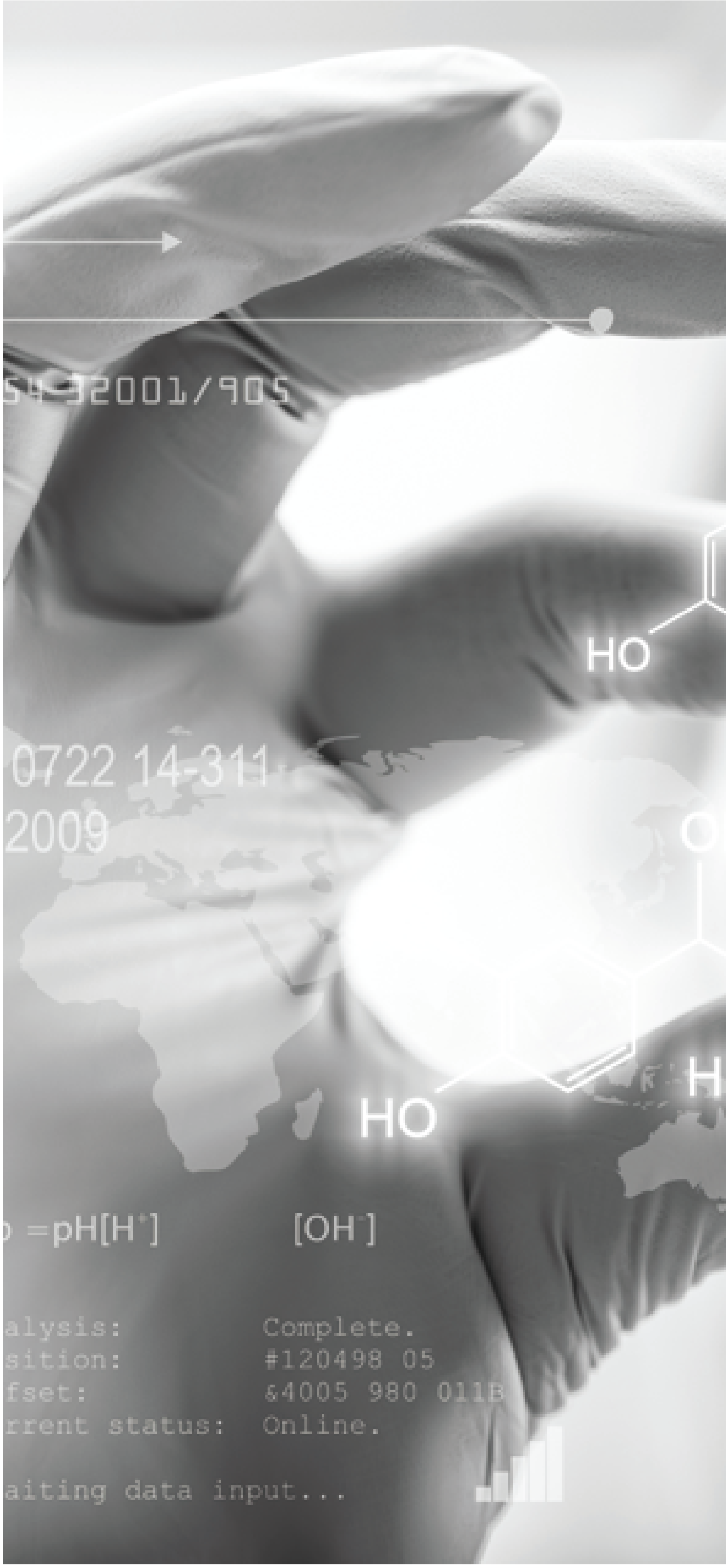
Shaping our future

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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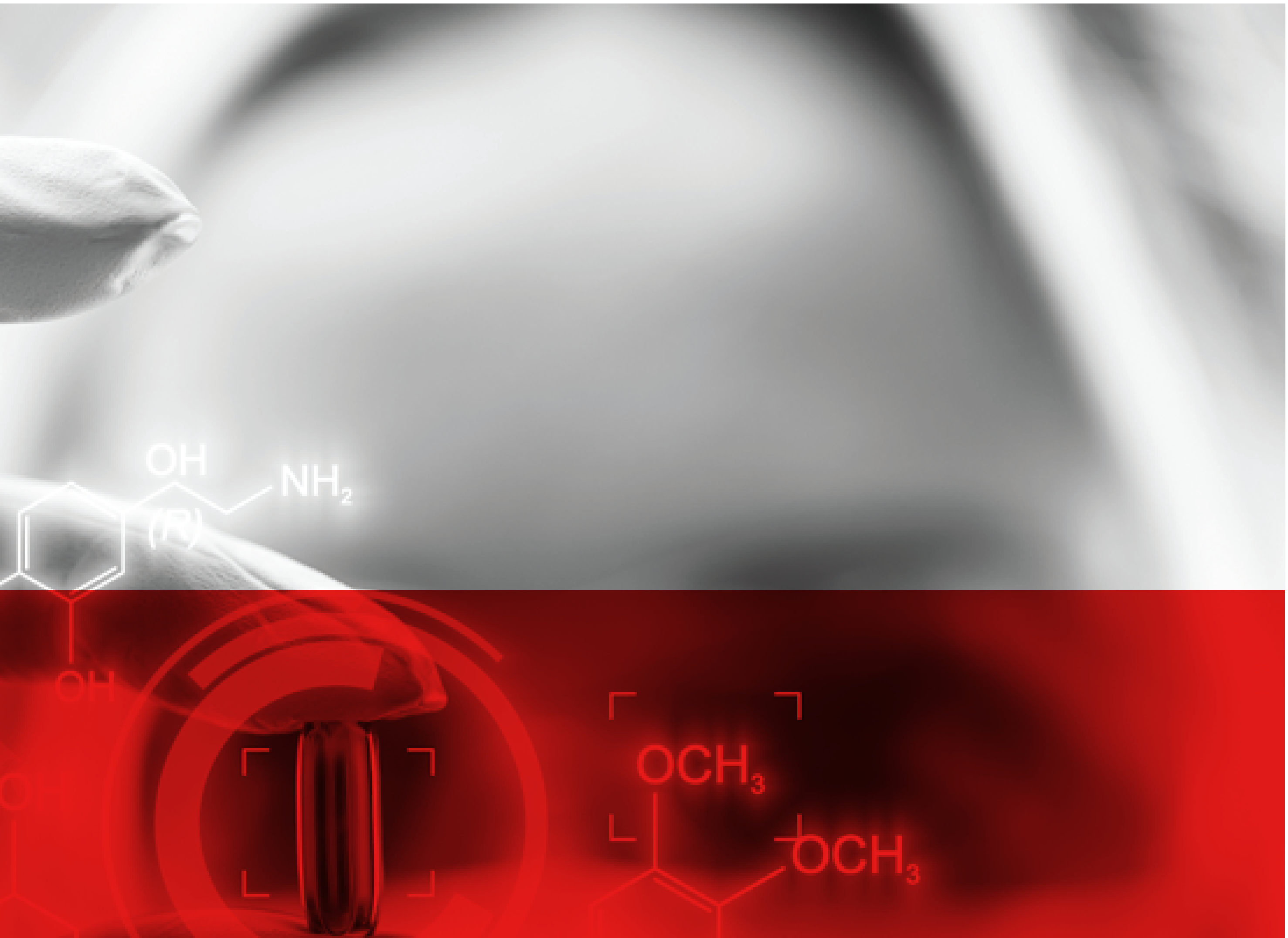


At Marksans Pharma Limited, we are engaged in strengthening our business model.

We are doing this with the objective to generate robust and sustainable growth.

This agenda comprises three objectives: introduction of new products, churn of products with low profitability and protecting our Balance Sheet integrity.

Shaping our future.

Values and principles

Vision: To build a global pharmaceutical company with a strong presence across both regulated and emerging markets – export-focused from day one!

Core values

Achievement: We applaud achievement and strive towards your vision with perseverance.

Respect: We respect all our stakeholders.

Knowledge: We value knowledge for it empowers our people to develop innovative solutions and to manage change.

Honesty and integrity: We perform our duties with extreme honesty and integrity.

10 things you need to know about Marksans Pharma Ltd.

Foundation

The Company was founded with the vision to create a global pharmaceutical company. In the short space of a decade, the Company has emerged as one of India's leading pharmaceutical players with a focus on the key regulated markets of the US, Canada, the UK and Australia, among others. The Company is engaged in research, manufacture and marketing of generic pharmaceutical products and solutions.

Offerings

Marksans Pharma manufactures and markets analgesics, expectorants as well as anti-diabetic, cardiovascular, central nervous system, gastrointestinal and oncologic drugs in addition to antibiotic and anti-allergic products. The Company also engages in cutting-edge research, offering Contract Research Manufacturing services to global pharmaceutical companies. The result is that the Company is an integrated pharmaceutical company, increasingly relevant in the therapeutic areas of its presence.

Manufacturing facilities

Goa unit: Marksans Pharma Ltd. has established a state-of-the-art manufacturing and R&D facility in Goa across an 18000 sq. ft. campus. The facility adheres to US FDA guidelines, approved by various international bodies like US FDA, UK MHRA and Australian TGA. The facility houses a pilot manufacturing plant and R&D Centre recognised by the Department of Scientific and Industrial Research (DSIR).

Southport unit: Marksans Pharma's other manufacturing facility is at the multi-purpose UK MHRA-licensed factory in Southport, UK. This unit is engaged in the manufacture of non-sterile liquids, ointments and powder products.

New York unit: The USFDA approved unit is located in New York, USA. Spread across an area of 7000 sq. m, the plant possesses capacity of manufacturing 5 billion tablets and hard capsules per annum.

Presence

The Company is headquartered in Mumbai (India) with subsidiaries across the globe. Its footprint extends across the United Kingdom, United States and Australia, coupled with proprietary marketing networks in these countries (among a handful of Indian companies to possess such a network).

Subsidiaries

The Company is driving growth through the following subsidiaries:

Relonchem Limited: Established in 2002; possesses more than 85 product licenses.

Time-Cap: Possesses an established tradition of manufacturing pharmaceuticals for over 37 years. Offers over-the-counter products and Rx products. Portfolio comprises more than 30 products.

Bell's Healthcare: Manufactures and supplies a range of branded and proprietary healthcare pharmaceutical products; coverage of therapeutic areas include cough, cold, pain relief, gastro-intestinal, ear care and skincare for the UK and export markets.

Nova Pharmaceuticals: A dynamic Australia-based (headquartered in Sydney) pharmaceutical company providing value to customers by delivering quality affordable medicines. Engages in regional sales, marketing and business development across Asia (China, Japan, Singapore, Vietnam, Sri Lanka and South Korea).

Verticals

The Company's business is classified under four verticals:

- North America/US generics
- Europe/UK generics
- Australia & New Zealand generics
- Rest of the World generics (CIS, Middle Eastern, African and South-East Asian countries, among others).

Quality focus

The Company is respected for product and process quality across units and locations

- All products undergo extensive R&D and stringent quality control tests as per international norms.
- The Company invested in the use of sophisticated and latest instruments (UV spectrophotometer for instance) for qualitative and quantitative analyses.
- Testing performed by qualified, trained and experienced analytical chemists.

Listing

The Company is listed on the Bombay Stock Exchange (scrip code: 524404) and National Stock Exchange (scrip code: MARKSANS). It enjoyed a market capitalisation of ₹1,017 crore as on 31st March, 2019.

R&D activities

- Developing generic products and pharmaceutical formulations
- Identifying niche areas (such as cardiovascular diseases, diabetes and neuroscience) for product development
- Post-patent filing for regulated and emerging markets
- Collaborating with partners in developing drugs going off-patent

Milestones

2001

Marksans was incorporated as a wholly-owned subsidiary of Glenmark Pharmaceuticals Ltd.

2003

Spun into a separate entity called Glenmark Laboratories Ltd.; changed its name to Marksans Pharma Ltd.

2005

Acquired Nova Pharmaceuticals Australasia Pty Ltd.

2008

Acquired Bells, Sons & Co. (Druggists) Ltd. Acquired Relonchem Limited.

2009

Established as a global player.

2015

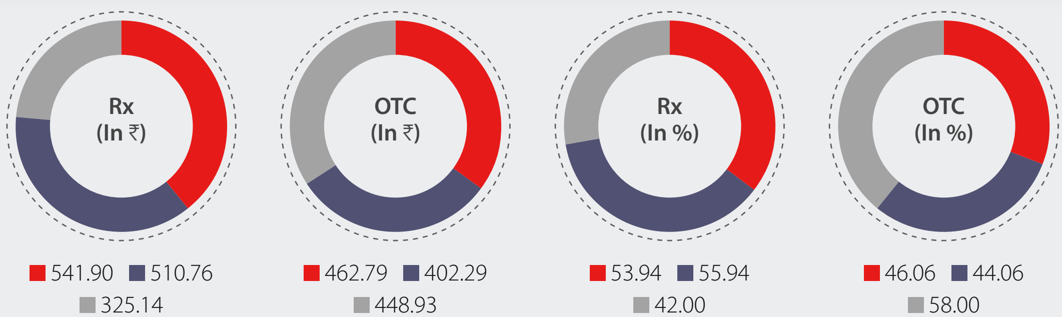
Acquired Time-Cap Laboratories Inc.

THERAPEUTIC SEGMENTS-WISE EXPORTS (CONSOLIDATED)

Sales in ₹ crore

Segment	2018-19	2017-18	2016-17
Pain management	297.33	286.58	271.82
Cardiovascular system (CVS)	155.88	140.43	112.70
Cough and colds	138.97	113.52	110.29
Central servous system (CNS)	114.60	106.71	40.51
Anti-diabetic	106.75	80.34	92.65
Gastro-intestinal	85.95	78.56	66.82
Miscellaneous	55.31	77.05	44.88
Anti-allergic	29.23	21.93	16.97
Antibiotics	20.66	7.93	17.42
Total	**1004.69**	**913.05**	**774.18**

VERTICAL-WISE REVENUE

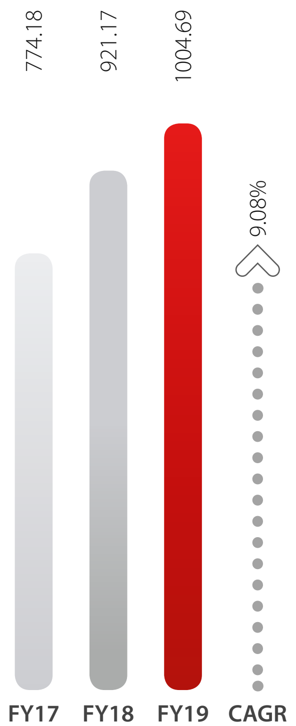


COUNTRY-WISE EXPORTS (CONSOLIDATED)

How we have grown over the years

Higher revenues

₹ crore



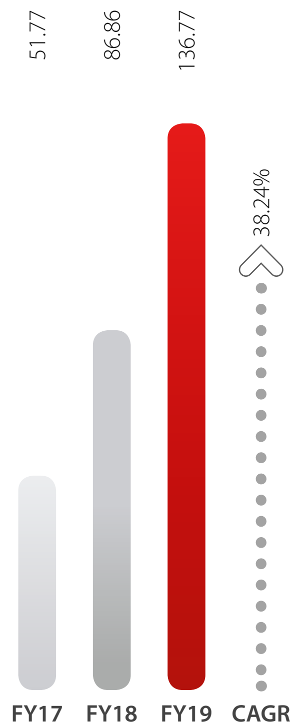
Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance
Our aggregate sales increased 9.07% to ₹1004.69 crore in FY 19.

Value impact
Creates a robust growth engine on which to build profits.

EBITDA

₹ crore



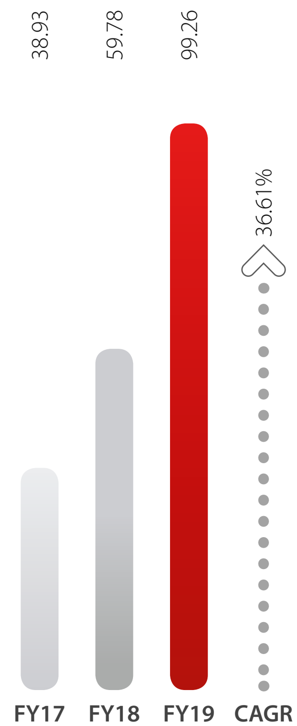
Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure
It is an index that showcases the Company's ability to enhance operating surpluses despite various pressures (market/trade/interest rate/costs) which can serve as a comparison with the Company's retrospective average and sectoral peers.

Performance
The Company's EBIDTA grew every single year through the last three years. The Company reported a 57.46% increase in its EBIDTA in FY19 – an outcome of painstaking efforts of its team in improving operational efficiency.

Cash profit

₹ crore



Definition
Profit earned during the year adding depreciation and deferred tax.

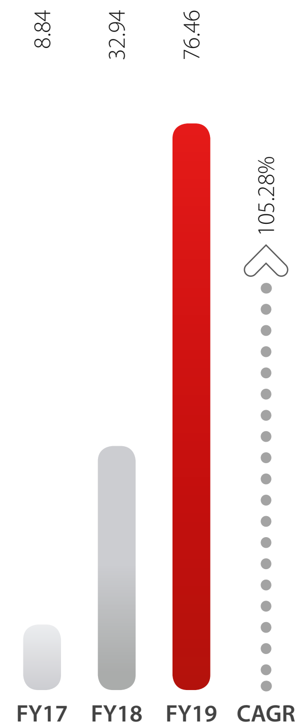
Why we measure
It highlights the strength in the business model in generating value for shareholders.

Performance
The Company's cash profit grew every single year through the last three years. The Company reported a 66.05% increase in its cash profit in FY19, reflecting the robustness of the business model.

Value impact
Strong cash pool available for reinvestment.

Profit after tax

₹ crore



Definition
Profit earned during the year after deducting all expenses and provisions.

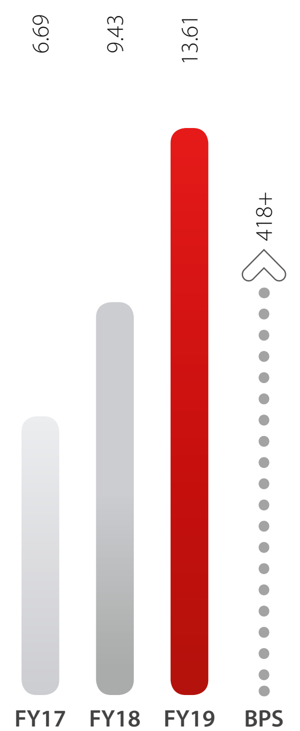
Why we measure
It highlights the strength of the business model in generating value for its shareholders.

Performance
The Company's net profit grew every single year through the last three years. The Company reported a 132.12% increase in its PAT in FY19 – highlighting the surplus available for reinvestment.

Value impact
Indicates the surplus available for reinvestment.

EBITDA margin

%



Definition

EBIDTA margin is a profitability ratio used to measure a company's operating efficiency. Higher the operating margin, better for the Company.

Why we measure

The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance

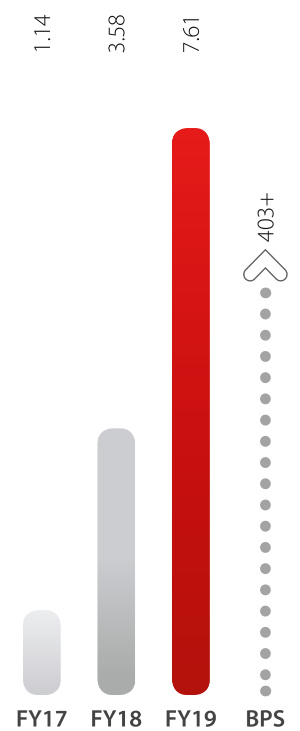
The Company reported a 418 bps increase in EBIDTA margin in FY19. This was the result of enriching its product basket with superior products and improved operating efficiency across the business.

Value impact

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

PAT margin

%



Definition

PAT margin is a profitability ratio used to measure a company's overall business efficiency. Higher the PAT margin, better for the Company.

Why we measure

The PAT margin provides an idea of how much a company earns (after accounting for interest and taxes) on each rupee of sales.

Performance

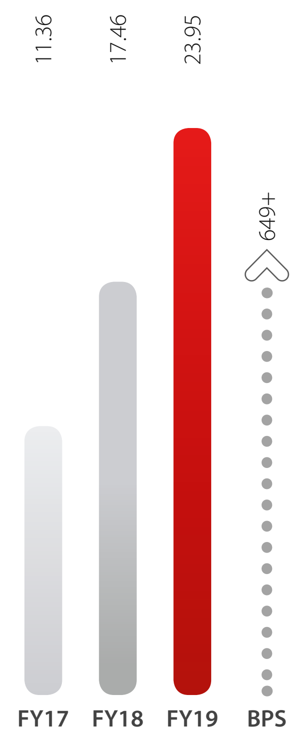
The Company reported a 403 bps increase in PAT margin in FY19.

Value impact

Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses.

RoCE

%



Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance

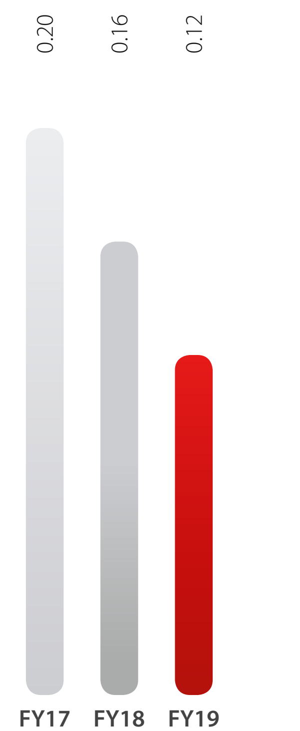
The Company reported a 649 bps increase in RoCE in FY19 – a showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

Value impact

Enhanced RoCE can potentially drive valuations and perception (on listing).

Debt-equity ratio

X



Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance

The Company's gearing moderated from 0.20 in FY17 to 0.12 in FY19. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

Value impact

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost.

CHAIRMAN'S OVERVIEW

DEAR SHAREHOLDERS

WHEN WE HAVE COMMUNICATED TO YOU IN THE LAST FEW YEARS, WE HAD OUTLINED THAT WE WOULD STRENGTHEN COMPETITIVENESS, REVENUES AND PROFITABILITY.

I am pleased to present our performance for FY19 where we have done just that.

The Company crossed ₹1000 crore in revenues for the first time, reporting consolidated revenues of ₹1004.69 crore, a 9.07% growth over FY18.

The Company validated the quality of its business through profitable growth, reflected in a 57.46% surge in EBIDTA and 132.12% growth in net profit. Besides, EBIDTA margin strengthened from 9.43% to 13.61% during the last financial year, indicating that the business was more profitable and competitive.

The performance during the last financial year inspires a decisive message to our stakeholders that the Company has emerged stronger to address sectoral opportunities and grow sustainably.

Key performance highlights, FY19

At Marksans, we are optimistic of our prospects for a number of reasons.

The successful completion of audits of our facilities by the UKMHRA, USFDA and TGA has validated that we manage world-class manufacturing facilities in India, benchmarked with the most modern safety, hygiene and discipline standards.

The Company strengthened its presence in all focus markets, broadbasing revenue growth from an excessive dependence in one or few geographies.

The Company reported a creditable performance in the UK market, where, despite margins pressure, the market continued to strengthen its product portfolio and grow attractively.

The Company continued to generate its second largest geography-based revenues from US, facilitated by the acquisition of TimeCaps, presence in all key accounts and a widening market presence. The Company intends to increase its presence through the launch of 5-6 new products in the current year.

The Company continued to consolidate its presence in Australia, its third largest market, accounting for 10.48% of its revenues.

The Company focused on select global markets like Russia CIS, South East Asia, MENA and Africa with hand-picked products.

The complement of these initiatives continued to be positive with the Company reporting a considerable part of its annual revenues during the last quarter and its EBIDTA, profit after tax and EBIDTA margin being higher than the annual average.

Shaping tomorrow

The recovery of the Company during the last few years indicates the robustness of the business model.

Marksans is among few Indian pharmaceutical companies focusing completely only on exports and deriving a significant proportion of revenues from regulated markets.

The Company is among a handful of pharmaceutical players possessing an integrated business model extending from research to manufacture and distribution.

The Company's focus on generating the majority of its operations from within India has enabled it to capitalise on the Indian advantages of low costs and high capabilities, strengthening overall competitiveness.

The Company's backward integration into research, following the commissioning of a new R&D centre, will strengthen our product pipeline, generating a sustainable increase in revenues and margins.

The Company recognises the need for a rationalised product basket where we focus our energies on products that address unmet needs, move the fastest and generate the highest margins, strengthening our business sustainability.

The Company restructured its operations and emerged stronger without compromising the integrity of its Balance Sheet, marked by a gearing of 0.12 as on 31st March, 2019 that serves as an effective hedge across market cycles.

The Company has progressively invested in state-of-the-art IT applications across the quality, manufacturing and R&D functions, resulting in a high degree of automation, equipment integration, manufacturing efficiencies and process consistency.

Deeper R&D engagement

One of the most decisive initiatives at Marksans in the last number of years was the commissioning a 1144 sq. metre R&D centre. This represents a strategic initiative that will reinforce the Company's respect and competitiveness. The R&D Centre will progressively strengthen our knowledge capabilities, reinforcing our presence in therapeutic niches largely protected from competitive pressures, accelerating the filing of a higher number of ANDAs, attracting more research scientists and strengthening our overall capability to address marketplace dynamics with speed and sensitivity.

The Company engaged more than 50 scientists. During the last three years, it launched a number of products and expects to launch a lot more in the next three years, strengthening the business momentum.

The team is also engaged in filing dossiers across major markets with the objective to commercialise them through large front-end companies. This business model will empower the Company to develop products at low project investments and low intermediation expenses, strengthening prospects.

Note of thanks

I cannot end but with a word of gratitude.

I am grateful to our shareholders for supporting us across the challenging phase we just passed. With a strong business model, we expect to report sustainable growth across the foreseeable future and strengthen value for all stakeholders.

Regards
Mark Saldanha

Our growth strategy and performance

Key strategic goal	Achievements in FY19	Initiatives for the coming years
Strengthen profitability	Reported profitable growth – increase in PAT growth (132%) being higher than revenue growth; EBIDTA margin improved 418 bps	• Focus on value-accretive products (following a conscious churn of low margin products) • Focus on direct distribution to capture a large slice of the value chain
Stronger Balance Sheet	• Repaid long-term debt • Debt-equity strengthened to 0.12 • Debt service coverage ratio was 14.16, indicating adequate comfort in debt repayment	• Strengthen terms of trade that could rationalise working capital • Strengthen the product mix, enhancing margins • Enter and deepen presence in relevant therapeutic spaces, enhancing long-term revenue visibility
Strengthen the product portfolio	• Launched over a dozen new products • Generated 9% revenue growth • Generated considerable share of revenues from products launched in the preceding three years	• Strong R&D team to accelerate product pipeline accretion • New launches to be positioned around high-value and high-margin products • Focus on the niche soft gel segment
Deepen presence across existing markets	• Revenues from the existing markets reported robust growth	• Deepen marketing presence with the induction of additional distributors • Focus on niche product segments

OPERATIONAL REVIEW BY THE CFO, JITENDRA SHARMA

Q. How would you appraise the Company's performance in FY19?

A. The numbers indicate the specialness of the year in the Company's existence: ₹1000 crore revenues, 9% revenue growth, 57.46% EBIDTA growth and 132% net profit increase. This profitable growth was validated in our margins movement: EBIDTA margin strengthened 418 bps to 13.61% while net profit margin strengthened 403 bps to 7.61% in FY19. The nature of profitable growth – the first time since 2016 - indicates that the Company's business model is resilient to address the challenges of the day and the future.

Q. What reasons would you ascribe to for this performance?

A. This success can be attributed to a number of reasons: following the completion of all regulatory audits, the Company resumed supplies to key markets, strengthening revenues. The UK remained the largest market for the Company where we performed creditably to maintain revenues and where we expect to report higher growth starting the current financial year.

In the US market, we continued to be among a handful of Indian pharmaceutical companies operating across the value chain (formulations to marketing), helping grow our topline 10.76% and strengthening our market visibility.

Q. How did the Company strengthen its business for the future?

A. The Company continued to expand filings in key markets. In the UK market, we have received a number of approvals during the year under review, which should translate into atractive revenues across the foreseeable future. The Company filed for new drugs in FY19 whose revenues should accrue in the future. In the US market, we expect to capitalise on ANDA approvals

Ind-Ra affirmed the Company's long-term issuer rating at IND A- with a stable outlook, validating our ability to maintain net leverage and a sustained profitability recovery.

for new drugs that should translate into sustainable revenues.

I am pleased to report that Ind-Ra affirmed the Company's long-term issuer rating at IND A- with a stable outlook, validating our ability to maintain net leverage and a sustained profitability recovery. The Company continued to retain a competitive position in the prescription and over-the-counter segments for soft gel and liquid products in the US and UK markets, establishing relationships with diversified retailers in regulated geographies.

Q. How are you strengthening your business going ahead?

A. At Marksans, our principal initiative will be to rationalise our portfolio. Going ahead, we will focus on value-added drugs while phasing out low margin products. This is expected to enhance the effectiveness of our resource deployment, strengthen capital efficiency and fetch us a premium over commodity players.

We believe that our next round of margins growth will come from the effectiveness of our Research & Development team at our sprawling new facility

in Navi Mumbai. Our scientists specialise in new drug delivery systems, formulations development and analytical development. Our facility in Navi Mumbai is equipped with most modern facilities, R&D laboratory and a pilot plant for oral solids(capsules/ tablets) and soft gelatin capsules, strengthening our positioning as one of India's most promising R&D facilities for generic molecules.

Over the last three years, the R&D team helped the Company launch new drugs to create a pipeline of value-added drugs expected to be launched across three years in the neuropsychiatry, gastroenterology and cardiovascular segments.

Q. What are the key strengths of the Company?

A. During the past few years, Marksans built a strong and integrated business model. The Company is among a handful in the US, UK and Australia to be present across the value chain from R&D to manufacturing to marketing and distribution. The result is that the Company is competently placed to formulate and market drugs in the shortest possible lead times.

Besides, the Company focused on operating only in the regulated markets; by the virtue of being present in US and UK, two of the most demanding markets in terms of regulatory requirements, we have been able to earn the trust of customers the world over.

The other strength of the Company is showcased in its lean Balance Sheet. Despite making business-strengthening acquisitions, the Company maintained a lean Balance Sheet with a gearing of 0.12 in FY19 and interest cover of 14.16x. We believe that this under-borrowed Balance Sheet represents an insurance that could serve as a positive hedge against uncertainties across the foreseeable future.

The Company invested in a strong Quality Assurance function, enduring conformance with all GMP prerequisites. The regulatory department aligned with registration requirements of various regulated markets.

Q. What is the outlook for the Company?

A. With a strengthening business profile coupled with an improvement in operating profitability, we expect to report strong growth across the coming years. The Company has prudently withdrawn from unattractive markets and focused on those with high growth opportunities, strengthening overall profitability.

How we enhance stakeholder value at Marksans

Key resources of the Company

Financial capital: The Company raised cost-effective funds from investors, promoters, banks and other financial institutions in the form of equity and short-term debt (for working capital requirements). On an average, the Company ploughed 60% of its profits back into the business.

Manufacturing capital: The Company invested in state-of-the-art manufacturing units, technologies, machineries installed across locations, accounting for the Company's manufacturing capital.

Intellectual capital: The Company's intellectual capital comprises the approved ANDAs across its markets of presence. The Company's strong research and development team drives the intellectual capital of the Company.

Human capital: The Company's human capital comprises the management team, employees and other workers. The human capital is the key success driver of the Company.

Social capital: Marksans' enduring ties with the stakeholder community and channel partners, raw material providers, agents and customers enhanced respectability

Key business activities

Research and development

Marksans has consistently invested to develop strong research and development capabilities. The Company's cutting-edge R&D lab at Navi Mumbai and Goa is fully operational and helping the Company in charting its growth.

The R&D team is focusing on new products, which are value-accretive and can strengthen the Company's bottomline in the coming years.

The Company's R&D facilities develop skills that ensure product safety, efficacy and quality from design to commercial manufacture by following new quality by design (QBD) principles and software. These enable the design of experiments approach in developing robust, reproducible and regulatory-compliant products.

During the year under review, the Company registered products across markets, creating a pipeline of new products.

Outlook

Going ahead, the R&D team will focus on developing value-added niche products, which will help in driving profitability.

Manufacturing

In the business of pharmaceutical manufacture and marketing, there is a premium to be paid for product and process integrity derived from the highest manufacturing standards. In line with this priority, Marksans established world-class formulation manufacturing facilities. These facilities leveraged state-of-the-art technologies, best practices and stringent regulatory compliances. These Centers of Excellence periodically reinforced their commitment to create products of the highest quality.

As a validation of this capability, the manufacturing facilities of the Company were certified by USFDA, Australian TGA, UKMHRA and WHO GMP, some of the most demanding agencies the world over.

The Company's units are engaged in manufacturing dosages in the following forms:

- Tablets (plain, enteric coated and film coated)
- Hard gelatin capsules
- Soft gelatin capsules
- Oral liquids
- Ointments
- Powder Sachets

Sales and distribution

Through direct distribution/marketing tie-ups

The drivers of our business fundamentals

- Vision, mission and values
- Strong corporate governance framework
- Adherence to ethical business practices

Value created in FY19

Financial capital

Turnover: ₹1004.69 crore

Earnings per share: ₹1.87

Market capitalization (31.3.19): ₹1017 crore

Intellectual capital

Manufacturing units are USFDA, UKMHRA and Australian TGA-certified

How we have shared our surpluses

Investors: Focus on cost reduction, operational excellence and balance of all capitals strengthened earnings and shareholder returns.

Suppliers: Focus on vendor growth and timely payments.

Employees: Focus on developing skills and preparing leaders; enhancing work place safety and health.

Customers: Focus on high product quality and timely product delivery.

Government: Ethical conduct, complete compliance; timely payments to the exchequer.

Communities: Harmonious engagements with various communities.


MEDICAL
MEDICAL
MEDICAL

Shaping our future

Driven by profitability

At Marksans, we have evolved our strategy with an enhanced focus on profitability.

The Company has been taking specific steps to strengthen profitability. This includes rationalizing the product portfolio of lower value products, focus on high value accretive markets, direct distribution and leveraging the IT network.

Shaping our future

Integrated business model

At Marksans, we believe that an integrated business model represents the key to our success.

Over the years, Marksans invested in various initiatives to create a robust business model comprising R&D, in-house manufacture of Rx and OTC products and direct distribution.

50.43

(%) Proportion of Gross margin to total revenues

13.61

(%) EBIDTA margin in FY19

Shaping our future

Maintaining Balance Sheet strength

At Marksans, we have been consistently investing in a strong Balance Sheet.

This represents the Company's biggest hedge against changes in market dynamics.

The Company is extensively under-borrowed with a high return on employed capital, an enviable platform on which to grow the business.

We believe that the combination of an effective research team and low debt represent an advantage in protecting the business from unforeseen events and consequent squeeze in margins.

0.12
Debt-equity ratio, FY19

27.40
(₹/crore), operating cash flow, FY19

Country Review

The UK

₹413 cr
Total revenues, FY19

(0.52%)
Y-o-Y growth, FY19

41.10%
Contribution to total revenues, FY19

Overview

UK remains the largest revenue contributor to Marksans. The Company successfully completed UKMHRA audits at its manufacturing units, helping strengthen its footprint. The UK business is driven by its two subsidiaries – Relonchem and Bell's healthcare. The UK business is the highest contributor to the Company's revenues. Bell has a strong OTC portfolio with more than 50 products across diverse therapeutic segments and Relonchem's portfolio comprises a high-end Rx portfolio. The Company also provides contract manufacturing services to some EU pharmaceutical companies. The Company is positioned as one of the top 10 Indian pharma companies in the UK.

The Company tied up with major retailers such as Tesco, Asda, Morrisons, Coop, Boots and Superdrug among others, to stock and sell its products.

Overview of the UK market

The UK pharmaceutical market is estimated to grow from ~US$29 billion in 2015 to ~US$43 billion by 2020 at a CAGR of 8.4%, driven primarily by a robust life sciences industry.

Outlook

The Company has 50+ products in the pipeline in different stages to cater the UK market and awaiting approval for ~20 MAs in the UK market

The United States

₹411.5 cr
Total revenues, FY19

10.76%
Y-o-Y growth, FY19

40.96%
Contribution to total revenues, FY19

Overview

The US represents the Company's second largest market. With a strong product portfolio, the Company is positioned in the niche category owing to its presence in the soft gel category, driving better margins. With 100% integration of Time-Cap, the Company has created its own marketing presence in the US. The Company has created a strong US distribution channel, selling to major customers in that country. Marksans is among the handful players in the US with a fully integrated business starting from R&D to formulation to primary distribution, helping it cost-efficient.

Overview of the US market

The US generic drug market has witnessed a transformation over the last three decades. From less than 20% of the total prescriptions, generic drugs now account for the majority of the total prescriptions dispensed in the United States. During 2011-2017, the US generic drug market grew at a CAGR of 13% and now represents a multi-billion dollar industry.

The biggest catalyst of this industry is the significantly lower price of generics compared to branded drugs. Although generics are chemically identical to their branded counterparts, they are typically sold at substantial discounts to the branded price.

This has enabled governments and third-party payers to save billions of dollars in healthcare expenditures and resulted in lower co-payments for patients. Other factors such as the patent expiration of blockbuster innovator drugs, ageing population and an increasing prevalence of chronic diseases have also acted as catalysts for this market.

Way forward

With a strong marketing team and long-standing relationship with key customers, the Company expects to strengthen its US operations. It expects to add new products to its portfolio in the coming years.

Australia and New Zealand

₹119.9 cr
Total revenues, FY19

21.05%
Y-o-Y growth, FY19

11.94%
Contribution to total revenues, FY19

Overview

Marksans carries out business operations in Australia and New Zealand through its subsidiary Nova Pharmaceuticals, a research-driven specialty pharmaceuticals company. Nova is one of the leading generics and private label suppliers in Australia. The Company has a number of authorisations in the country.

Market overview

Australia's pharmaceutical market is set to rise from >US$22.85 billion in 2016 to US$25.2 billion by 2020, registering a CAGR of 2%.

Outlook

The Company will continue to grow the market.

Rest of the world

₹60.3 cr
Total revenues, FY19

70.03%
Y-o-Y growth, FY19

6%
Contribution to total revenues, FY19

Overview

After creating a significant presence in some of the world's largest regulated markets, Marksans entered emerging countries. The Company is primarily targeting four major clusters – South East Asia, Russia and CIS, Middle East and Africa. In these four clusters, it is targeting specific countries like Iraq, Kenya, Ukraine, Sri Lanka and Myanmar, among others. The Company has already started filing for approvals in the respective countries.

Outlook

The Company is strengthening its presence in the targeted markets and expects to generate 10% of the Company's revenues from them by FY22.

Management discussion and analysis

Review of the global economy

Following a robust 3.8% growth in 2017 that extended into the first half of 2018, the global economy slowed in the second half of 2018. The reasons for this decline comprised a confluence of factors like the failure of Brexit negotiations, tightened financial conditions, geopolitical tension, trade wars and higher crude oil costs. Global economic growth is estimated at 3.6% in 2018 and projected to decline further to 3.3% in 2019.

Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a 4-year peak of US$81 per barrel in October 2018 to US$61 per barrel in February 2019.

United States of America: Economic confidence and sentiment indicators were near historical highs, despite a wide range of tariff hikes and build-up of trade tensions that intensified over 2018. The impact of ongoing trade disputes on the domestic economy were offset by fiscal stimulus measures in 2018, including a 200 bps drop in income tax rates, steep decline in the corporate tax rate and a rise in federal government consumption spending (especially on defence). This was supported by strong jobs growth and buoyant economic activity. In the first three quarters of 2018, gross domestic product (GDP) was 2.8% higher than a year earlier. The expansionary fiscal stance accelerated interest rate increases by the United States Federal Reserve, generating episodes of turbulence in the global financial markets and asset price adjustments. Federal deficit is expected to widen to about 5% of GDP by 2019, while government debt could continue to rise relative to GDP for the next decade.

Russia: The Russian economy grew an expected 1.5% in 2018, mostly driven by private consumption, while a higher oil price allowed the rebuilding of fiscal buffers. The FIFA 2018 World Cup, whose preparations contributed to significant fixed investments, strengthening the tourism industry. Consumer spending recovered at the beginning of the year owing to a stabilised currency, sharp disinflation and pick-up in household borrowings. Geopolitical tension led to several rounds of additional economic sanctions in 2018, including the possibility of freezing large Russian banks' assets abroad and restricting their dollar transactions, while targeting Russian sovereign debt, which exerted a downward pressure on the rouble. The country's central bank temporarily suspended foreign-exchange purchases conducted in accordance with the Budget and reversed monetary loosening by lifting policy interest rates in September. Business lending remained suppressed.

China: Amid rising external headwinds and ongoing economic rebalancing, China's GDP growth is projected to moderate from 6.6% in 2018 to 6.3% in 2019 and 6.2% in 2020. Domestic demand growth is expected to remain solid, supported by a looser monetary policy stance and pro-growth fiscal measures. In 2018, China's growth moderated from the previous year, due to a deceleration in fixed asset investments. Infrastructure investment growth was affected by tighter regulatory restrictions aimed at reining local government debt. Household spending remained robust but grew moderately amid weakening consumer confidence. Private consumption could remain a key growth driver in the outlook period. Alongside healthy income growth, consumer spending could be boosted by an increase in the minimum threshold for personal income tax exemption and additional tax deductions.

Review of the Indian economy

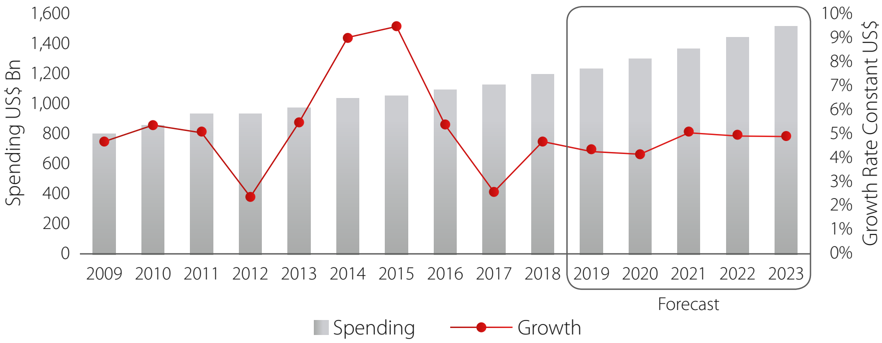
India emerged as the sixth largest economy, retaining its position as the fastest-growing trillion-dollar economy. However, after growing 7.2% in FY18, the Indian economy was expected to grow at 6.8% in FY19 as per the third advanced estimates of the Central Statistics Office released in May 2019.

The principal developments during the year under review comprised increased per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment.

In 2018, the country attracted ~US$42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Global Medicine Spending and Growth 2009–2023



Review of the global pharmaceutical sector

The global pharmaceutical industry reached unprecedented heights in 2018. Global spending on medicines reached US$1.2 trillion in 2018, up from US$1.1 trillion in 2017, and is set to be just under US$1.3 trillion by 2019, with 4–5% growth globally. Global spending is expected to exceed US$1.5 trillion by 2023 as the market grows in mid-single digits.

Global generics market

The global generic drugs market was worth around US$315 billion in 2017, reporting a CAGR of 6.7% during 2010-2017. The market is further expected to reach a value of US$474 billion by 2023, at a CAGR of 6.8% between 2018 and 2023. Generic drugs are bio-equivalents of brand-name drugs in terms of strength, quality, dosage, form, effect, side-effect, intended use and route of administration. Generally, pharmaceutical companies spend a huge amount of money on the marketing of innovator drugs as they have to educate both the physicians and authorities on the efficacy and safety profile of the new drug. As generics do not require such extensive marketing to establish their safety and efficacy, they offer higher profit margins to the manufacturers.

Outlook

The global pharmaceutical market would exceed US$1.5 trillion by 2023, growing at a 3–6% compound annual growth rates over the next five years – a notable slowdown from the 6.3% seen over the past five years. The key drivers of growth will continue to be the United States and pharmerging markets with 4–7% and 5–8% compound annual growth, respectively. In the developed markets, the top five European markets could slow to 1–4%, compared to 3.8% in the past five years, while Japan's topline growth of -3 to 0% could be partly due to forecast exchange rate dynamics and a more favorable dynamic for branded products. China is the largest pharmerging market, reaching US$140–170 billion by 2023, but its growth is expected to slow to 3–6%. All pharmerging markets could see slower growth in the next five years than in the past five as the economic growth and healthcare access expansions of the past could contribute less to growth.

Growth drivers

Increase in global aging population
By 2020, the global population is expected to cross 7.7 billion, of which 21% is expected to be aged at 60 or more. With the increase in elderly population, the demand for drugs is estimated to increase in the near future.

Improved purchasing power
On the back of increasing purchasing power, better health care access is expected to improve, which, in turn boosts the demand for pharmaceutical products. China is expected to be the front-runner and is anticipated to triple its purchasing power by 2030. Further, Japan is expected to lose five spots, emerging as the country with the 9th highest purchasing power. Developing economies such as Indonesia, Turkey, Brazil and Egypt are also expected to increase their purchasing power.

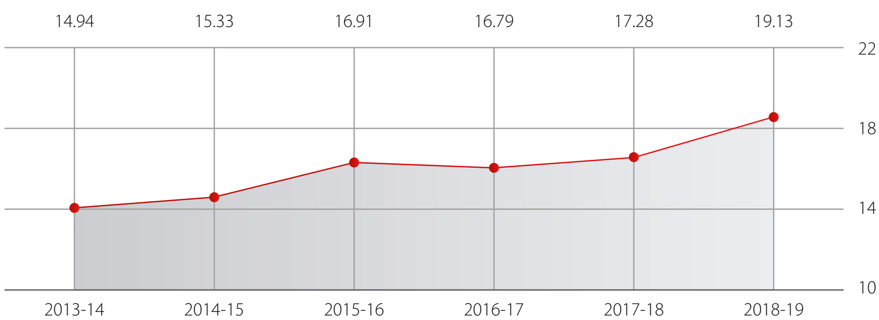
Innovations
The pharmaceutical market has been increasingly focusing on tapping the specialty disease market. On the back of innovations in advanced biologics, nucleic acid therapeutics and cell therapies, the sector has successfully attracted investments by non-pharma companies.

Indian pharmaceutical market overview

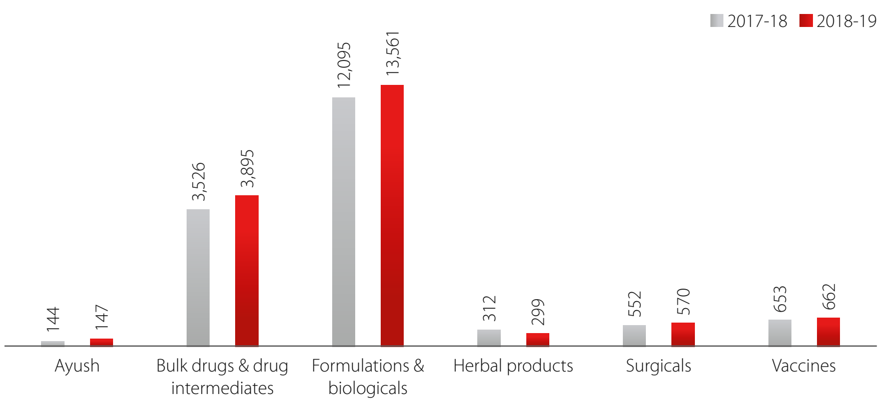
The pharmaceutical industry size was pegged at US$34 billion in 2018 on the back of industry tailwinds, which helped the sector emerge as one of the fastest growing sectors around the globe. India's domestic pharmaceutical market turnover was pegged at ₹129,015 crore (US$18.12 billion) in 2018 compared to ₹116,389 crore (US$17.87 billion) in 2017, clocking a growth of 9.4% y-o-y. This growth is predominantly aided by an increase in the size of middle class households coupled with the improvement in medical infrastructure and increasing penetration of insurance across the country.

The Indian pharmaceutical market is largely dominated by generic drugs, which account for a lion's share of ~70.The proportion of over-the-counter medicines and patented drugs account for 21% and 9% respectively. Further, the proportion of generic drugs from India stands tall at 20% of global exports by volume. *(Source: Business Standard)*

Pharma exports (US$ bn)



Category-wise exports (US$ million)



Outlook
The Indian pharmaceutical industry is expected to reach US$120-130 billion by 2030. India is the second largest contributor of global biotech and pharmaceutical workforce and is estimated to remain so in the near future. The domestic generics market is expected to reach US$88 billion by 2021. *(Source: IBEF)*

Human resources

Marksans believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees, achieving an ideal work-life balance and enhancing pride of association.

Financial review, FY19

- Consolidated income for the year increased to ₹1004.69 crore compared to ₹921.17 crore in the previous fiscal.
- Consolidated profit before tax for the year was ₹104.31 crore compared to ₹49.80 crore in the previous fiscal.
- Consolidated profit after tax for the year was ₹76.46 crore compared to ₹32.94 crore in the previous fiscal.

Particulars	FY19	FY18	% Change	Reason
Debtor's Turnover (days)	65	85	-23.53	Improvement in collection efficiencies
Inventory Turnover (days)	187	142	31.69	Growth in scale of operations
Interest Coverage Ratio	14.16	8.50	66.59	Strengthened profitability along with lower debt levels
Current Ratio	2.28	1.92	18.75	Improvement in working capital management
Debt Equity Ratio	0.12	0.16	(25.70)	Further repayment of debt
Operating Profit Margin (%)	13.61	9.43	44.37	Enhanced off take and better cost management
Net Profit Margin (%)	7.61	3.58	112.57	Superior profitability
RoE (%) (on Cash Profit)	18.30	12.70	44.09	Improved profitability
RoCE (%) (on Cash Profit)	17.38	12.02	44.59	Improved profitability
Cash Profit Margin (%)	9.88	6.49	52.23	Better off take
RoNW	14.09	7.00	101.29	Superior profitability

Operational review

Revenue

Standalone turnover of the Company increased from ₹29,466.23 lakh in FY18 to ₹42,416.02 lakh in FY19 i.e. increased by 43.95%. This growth has been driven by strong performance of exports to USA & North America, UK, Australia & New Zealand and Rest of World.

Cost of sales

Cost of sales increased to ₹23,633.97 lakh in FY19 from ₹16,934.76 lakh in FY18 on account of an increase in sales.

Other expenses

Other expenses increased from ₹5,031.23 lakh in FY18 to ₹7,816.04 lakh in FY19 i.e. increased by 55.35% on account of an increase in freight, power & fuel charges and registration fees.

Depreciation and amortization expenses

Depreciation and amortization expenses provision decreased 29.09% from ₹1,225.07 lakh in FY18 to ₹868.72 lakh in FY19.

Finance cost

Finance cost decreased from ₹767.16 lakh in FY18 to ₹656.22 lakh in FY19 i.e. decreased by 14.46% on account of lower interest costs and bank charges.

Reserves and Surplus

Reserves & Surplus was ₹42,964.30 lakh in FY19 compared to ₹38,803.97 lakh in FY18 i.e. increase by 10.72%.

Short-term borrowings

Short-term borrowings increased to ₹7,732.70 lakh in FY19 from ₹6,630.88 lakh in FY18 i.e. increase by 16.62 %.

Trade payables

Trade payables increased to ₹3,722.56 lakh in FY19 from ₹3,368.04 lakh in FY18 i.e. increase by 10.53%.

Other Current Financial Liabilities

Other Current Financial Liabilities decreased to ₹733.68 lakh in FY19 from ₹878.78 lakh in FY18 i.e decrease by 16.51%.

Property, Plant and Equipments

The Company's tangible assets increased to ₹9,718.62 lakh in FY19 from ₹8,788.18 lakh in FY18 i.e. increased by 10.59% due to addition to fixed assets during the year.

Intangible assets

During FY19, the Company's intangible assets increased to ₹542.73 lakh from ₹0.85 lakh in FY18 due to the acquisition of licenses during the year.

Other non-current financial assets

Other non-current financial assets increased to ₹129.20 lakh in FY19 from ₹81.66 lakh in FY18.

Inventories
Inventories increased to ₹7,036.37 lakh in FY19 from ₹4,229.28 lakh in FY18 i.e. increased by 66.37% mainly to support an increase in formulation sales.

Trade receivables
Trade receivables increased to ₹17,782.97 lakh in FY19 from ₹16,887.22 lakh in FY18 due to offering of higher credit period to customers.

Other current assets
Other current assets increased to ₹714.36 lakh in FY19 from ₹592.78 lakh in FY18.

Cash and cash equivalents
Cash and cash equivalents increased to ₹180.00 lakh in FY19 from ₹71.35 lakh in FY18.

Risk management

Geographical risk
Dependence on specific geographies could create problems in the growth of the Company.

The Company has a robust presence spread across 25 countries with the largest chunk of revenues being derived from the USA and UK market. During the year under review, the Company sustained its profits from the UK market on one hand and increased its penetration in the US market. Further, the Company also increased its proportion of revenues derived from US market from 40.33 % in FY18 to 40.96 % in FY19.

Industry risk
A slowdown in the global pharmaceutical market may adversely affect profitability of the Company.

Global spending on medicines reached US$1.2 trillion in 2018, up from US$1.1 trillion in 2017, and is set to be just under US$1.3 trillion by 2019, clocking a 4–5% growth y-o-y. On the back of these tailwinds, the Company is optimistic of its prospects.

Quality risk
Any decline in the product quality could affect the Company's profitability and brand recall.

In order to mitigate this risk, Makrsans invested progressively to enhance its product quality. The Company's facilities are accredited by US FDA, UK MHRA and Australian TGA authorities, which speaks volumes about Marksan's compliance with stringent quality management norms.

Competition risk
Increase in the number of players in the pharmaceutical industry could lead to an increase in competition for the Company.

In order to get an edge over peers, the Company has an integrated business model starting from Research and Development to manufacturing to distribution, which not only give the Company complete control over the value-chain of the products but also translates into the production cost being one of the most competitive in the domestic market.

Liquidity risk
Unavailability of long-term funds could be detrimental to the Company's operations.

In order to mitigate this risk, the Company is continuously reducing its debt to lower its dependence on borrowed funds.

Internal control systems and their adequacy
The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board.

Cautionary statement
This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Directors' Report

Dear Shareholders,

The Directors take pleasure in presenting the Twenty Seventh (27) Annual Reports along with the financial statements for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2018-19	2017-18
Turnover	42,416.02	29,466.23
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	6,469.84	2,890,.31
Less: Depreciation & Amortization Expenses	868.72	1,225.07
Non-recurring expenses	-	-
Tax expenses	1,239.37	422.51
Profit after Tax	4,361.75	1,242.73

OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2018-19, your Company achieved turnover of ₹42,416.02 Lakh with net profit of ₹4,361.75 Lakh as compared to turnover of ₹29,466.23 Lakh with net profit of ₹1,242.73 Lakh in the previous year.

On consolidated basis, your Company achieved turnover of ₹1,00,006.92 Lakh with net profit of ₹8,043.71 Lakh as compared to turnover of ₹91,269.20 Lakh with net profit of ₹3,580.10 Lakh in the previous year. During the year, US and North America Formulation business reported growth of 10.76%, Australia and New Zealand formulation business reported growth of 21.05% and Rest of World business reported growth of 70.03%.

In compliance with the IND AS on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year under review.

DIVIDEND

Your Directors have recommended a Dividend, subject to approval of the Members at the ensuing Annual General Meeting, of Re. 0.05/-(5%) per equity share of Re. 1/- each and dividend of ₹7/- (7%) per preference share of ₹100/- each for the financial year ended 31st March, 2019. Cash outflow on account of dividend payment will be ₹274.66 Lakh for the financial year ended 31st March, 2019. The Dividend will be paid in compliance with applicable regulations. Company's policy on the Dividend Distribution is available on the Company's website www.marksanspharma.com.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

i. Performance of Marksans Pharma (UK) Limited, through step down subsidiaries Bell, Sons & Co. (Druggists) Limited and Relonchem Limited which operates in the European markets, has been satisfactory considering the prevailing market scenario. The Directors foresee growth in the coming years.

ii. Marksans Pharma Inc., through step down subsidiary Time-Cap Laboratories Inc. which operates mainly in US and North America, has achieved sales of ₹41,149 Lakh as compared to sales of ₹37, 150 Lakh during previous year.

iii. Performance of Nova Pharmaceuticals Australasia Pty Ltd. (your company holds 60% of the share capital) which operates mainly in Australia and New Zealand has registered satisfactory growth.

Pursuant to a Central Government's Circular dated 8th February, 2011, the audited accounts together with Directors' Report and Auditors' Report of the subsidiaries namely Marksans Pharma (U.K.) Limited, Marksans Pharma Inc. and Nova Pharmaceuticals Australasia Pty Limited are not being appended to the Annual Report. However, a statement giving information in aggregate for each subsidiary including step down subsidiaries are attached to the Consolidated Balance Sheet. Statement on the highlight of performance of subsidiary companies and their contribution to the overall performance of the company are given in Note No. 40(a) of the consolidated financial statements and forms part of this report.

Your Company has no Joint Ventures and Associate Companies.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis covering industry structure and developments, financial and operational performance of the Company, risks, concerns, opportunities, threats and outlook forms a part of this Report.

RESERVES

Your Company has not transferred any amount out of the profit of the year to the General Reserve.

SHARE CAPITAL

During the year under review, there was no change in the Equity and Preference Share Capital of the Company.

The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise, during the year under review.

The Company has not issued ESOP or sweat equity shares to Directors or employees, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Company's Board comprises of 6 (Six) Directors, of which 3 (Three) are Non-Executives Independent and 3 (Three) Directors are Executives.

a. **Appointment / resignations of Directors:**

   During the year under review, Dr. Vinay Gopal Nayak (DIN: 02577389) has resigned as Director & Whole-time Director with effect from 01.01.2019 and Mr. Varddhaman Vikramaditya Jain (DIN: 08338573) has been appointed as Whole-time Director in place of Dr. Viany Gopal Nayak.

   Mr. Ajay Shivram Joshi (DIN: 00947684), an Independent Director has resigned due to personal reason with effect from 01.04.2019. There is no other material reasons for his resignation. Mr. Abhinna Sundar Mohanty (DIN: 0007995) has been appointed as an additional independent Director with effect from 11.07.2019 in place of Mr. Ajay Shivram Joshi.

b. **Retirement of Director by rotation:**

   In terms of Section 152 of the Companies Act, 2013, Mrs. Sandra Saldanha (DIN: 00021023) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

c. **Appointment / resignation of Key Managerial Personnel:**

   During the year under review, there is no change in the Key Managerial Personnel of the Company except as stated above.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2018-19, the Board met 6 (Six) times on 30.05.2018, 06.08.2018, 25.08.2018, 13.11.2018, 24.01.2019 and 08.02.2019.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Your Company has in place a policy relating to nomination and remuneration of directors as well as key managerial personnel and other employees formulated by the Nomination and Remuneration Committee. The Nomination and Remuneration Policy, inter alia, provides for the following:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. For administrative convenience, the Managing Director is authorised to identify and appoint a suitable person for the position of KMP (other than Managing / Whole-time Director) and Senior Management.

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Nomination and Remuneration Committee and recommended to the Board for approval. Such remuneration / compensation / commission, etc., as the case may be, is subject to approval of the shareholders of the Company and is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Remuneration of KMP (other than Managing / Whole-time Director) and Senior Management is decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director is not entitled to stock option of the Company.

EVALUATION OF PERFORMANCE OF BOARD, COMMITTEE AND DIRECTORS

Performance evaluation of the Board as a whole, the Committees of Directors and all individual Directors including Independent Directors has been carried out for the year under review in accordance with the criteria framed pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Notes issued by SEBI.

Performance Evaluation of each individual director including independent director

A questionnaire containing performance evaluation criteria was circulated to each Director including Independent Directors. The Directors filled-up the questionnaire pertaining to other Directors (except for himself/herself) and submitted the same to the Chairman of the Board for review.

The Nomination and Remuneration Committee also carried out performance evaluation of each director of the Company for the year 2018-19. The evaluation of each director was done by all the other directors (other than the director being evaluated) in accordance with the performance criteria suggested by the Committee and applicable SEBI Guidance Note.

Performance Evaluation of the Board and Committees of Directors

The Board reviewed a questionnaire containing performance criteria for the Board and the Committees of Directors. For the evaluation, the Board took into consideration composition of the Board and Committees of Directors, frequency of the meetings, attendance of each directors at the Board and respective Committee Meetings, discharge of key functions and responsibilities prescribed under law, effectiveness of corporate governance practices in the Company, integrity of the Company's accounting/auditing and financial reporting/control systems, etc.

All the independent directors of your Company also had a separate meeting without the attendance of executive directors and management personnel and reviewed the performance of the Board of Directors as a whole, the Chairman of the Board and the executive non-independent directors during the year 2018-19. The independent directors have also reviewed the quality, quantity and timeliness of flow of information between the Company management and the directors that was necessary for the directors to effectively and reasonably perform their duties.

The results of the above performance evaluations are satisfactory and adequate and meet the requirement of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the independent directors fulfilled the conditions specified in the above Act and Regulations and are independent of the management.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Company's policy on the familiarization program for the independent directors as well as details of familiarization programmes imparted during the year is available on the Company's website www.marksanspharma.com.

COMMITTEES OF THE COMPANY

Currently, the Company has five committees; The Audit Committee, The Nomination and Remuneration Committee, The Stakeholders' Relationship Committee, The Corporate Social Responsibility Committee and The Risk Management Committee. Details of the composition of these committees are given in the Corporate Governance Report section of this Annual Report.

POLICIES

Your Company always strives to promote and follow the highest level of ethical standards in all its business transactions. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated formulation of certain policies for all listed companies. All the policies adopted by your Company are available on the website www.marksanspharma.com. These policies are reviewed periodically by the Board and updated based on need and new compliance requirement. Key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description
Code of Conduct for Directors & Employees	The Code envisages directors and employees of the Company to observe in day to day operations of the Company
Code of Conduct to Regulate, Monitor and Report Trading in securities	The Code provides framework for dealing with securities of the Company by directors and employees of the Company
Policy on Related Party Transactions	The Policy regulates all transactions between the Company and its related parties
Corporate Social Responsibility (CSR) Policy	The Policy outlines Company's strategy to bring about a positive impact on society
Whistle Blower Policy (Vigil Mechanism)	The Policy provides for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's codes of conduct and ethics
Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information	The Code envisages fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.
Dividend Distribution Policy	The Policy envisages criteria for distribution of dividend.

DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RESEARCH AND DEVELOPMENT (R&D)

Your Company is committed to continuously fund its R&D capabilities. One of the Company's biggest strength lies in vibrant and productive R&D function that has continuously placed your Company ahead through consistent development of niche technology, processes and products. Your Company will continue to invest in R&D to keep pace with the changing domestic and global scenario.

Your Company has set up a New Research & Development Centre at Navi Mumbai, Maharashtra with a view to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and file a larger number of ANDAs.

REGULATORY COMPLIANCES

Your Company's facilities in UK and USA are approved by UK MHRA and US FDA respectively. The Goa facility has also gone through successful GMP audit by US FDA, UK MHRA and Australian TGA Authorities.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information and data are annexed to this report as **Annexure - A**.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate system of internal control and management information systems which covers all financial and operating functions. These systems are designed in a manner which provides assurance with regard to maintenance of strict accounting control, optimum efficiency in operations and utilization of resources as well as financial reporting, protection of Company's tangible and intangible assets and compliance with policies, applicable laws, rules and regulations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Audit Committee has a process for timely check for compliance with the operating systems, accounting procedures and policies. Major risks identified by the Company are systematically addressed through mitigating action on continuing basis.

INFORMATION TECHNOLOGY

Your Company continues to make required investments in the Information Technology area to cope up with the growing information needs necessary to manage operations efficiently. Your Company has implemented state-of-the-art IT applications in automating the processes in Quality, Manufacturing and R & D. Your Company has also invested significant amount of resources to build IT platform to de-risk manufacturing process and to adopt best practices in the industry. The implementations spread across Lab automation, instrument integration and manufacturing execution systems. Your Company's virtually every aspect of the business operations is carried out through SAP (Systems Applications and Products in Data Processing) Enterprise Resource Planning.

HEALTH, SAFETY & ENVIRONMENT

Your Company is committed to ensure Safety and sound Health of the employees at the work place. Your Company is also committed to strengthen pollution prevention and waste management practices for a safe and healthy environment. The Company's Plants are environment regulations compliant.

RELATED PARTY TRANSACTIONS

Your Company has not entered into any transaction during the year with any related parties which are not at arm's length basis. Further your Company has not entered into any material transaction with any related parties during the year.

All Related Party Transactions (with the subsidiaries) that were entered into during the financial year were in the ordinary course of business on arm's length basis and repetitive in nature. These transactions were placed before the Audit Committee for information and entered in the Register maintained under Section 189 of the Companies Act, 2013. The Audit Committee has granted omnibus (ad hoc) approval for Related Party Transactions as per the provisions and restrictions contained in the policy framed under Regulation 23 of the SEBI (LODR) Regulations, 2015. Company's Policy on Related Party Transactions is available on the Company's website www.marksanspharma.com. Particulars of related party transactions entered into during the FY 2018-19 have been disclosed under Note No. 37 of the Notes to the Financial Statement.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. Details of the Whistle Blower Policy are available on the Company's website www.marksanspharma.com.

The said mechanism also provides for adequate safeguards against victimisation of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee. We confirm that during the financial year 2018-19, no employee of the Company was denied access to the Audit Committee. During the financial year 2018-19, there were no instances of any unethical behavior, actual or suspicious fraud or violation in the Company's operational policies.

RISK MANAGEMENT SYSTEM

Your directors are aware of the risks associated with the Company's business. Your Company makes timely and regular analyses of various risks associated with the Company's business and takes corrective actions for managing/mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risks under the supervision of the Risk Management Committee of the Company. The key risks and mitigation measures are also reviewed by the Audit Committee. There is no element of risk which in the opinion of the Board may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2018-19, your Company has not spent any amount towards CSR. Your Company understands its responsibility towards the Society, Community and Environment and committed to spend sensibly after identifying right avenues for the purpose. The CSR Committee had been meeting and discussing with number of NGOs to actively support and channelize the Company's CSR activities as per the Company's CSR Policy. However, the Company could not identify right avenues for the purpose. The Company is continuing its efforts in identifying right activities as per its CSR Policy to achieve CSR objectives.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure - B** annexed to this Report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is fully committed to uphold and maintain dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at work place. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints regarding sexual harassment at Mumbai office, Goa plant and R & D Centre at Navi Mumbai. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Company has not received any complaints related to sexual harassment at any of the sites.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no orders passed by the Regulators/Courts/tribunal which would impact the going concern status of the Company and its future operations. During the year under review, securities of the Company were not suspended from trading in the stock exchanges in which they are listed.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of Business of the Company.

MATERIAL CHANGES & COMMITMENT IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

REPORTING OF FRAUDS

There was no instance of any fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

CORPORATE GOVERNANCE

Corporate Governance is an ethical business process to create and enhance value of stakeholders and reputation of an organization. Your directors function as trustee of the shareholders and ensure long term economic value for its stakeholders. Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, a detailed report on Corporate Governance and a certificate from the Auditors regarding compliance with the conditions of Corporate Governance is annexed to this report as **Annexure - C**.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014 is annexed to this report as **Annexure - D**.

EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure - E**.

The statement showing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure - F**.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The guiding principle of HR Policy at your Company is that the "Intellectual Capital" and dedication of employees will help the

Company emerge as a successful player in this highly competitive scenario.

The recruitment procedure ensures that people with talent and the right skill sets are selected. Nurturing of talent and a Performance Management System (PMS) is in place to ensure that the coordinated efforts of our people lead to achievement of the Business Goals of the company.

Empowerment and a motivational package ensure that employees keep performing at peak levels. The HR Policy is directed towards creating "Ownership of Goals" at each level and synchronizing the efforts of all employees to achieve the company's quality and business goals.

Development of skills through mentoring and training by our seasoned professionals ensures that the talent pool keeps expanding. The Leadership Role played by our senior professionals helps to keep the next rung of leadership ready to take up the challenges thrown up by the global market.

The management helps the process of decision making by decentralizing and empowering professionals to execute tasks in a speedy manner. The management fosters information sharing and free exchange of ideas. Above all, the sense of ownership and empowerment to take decisions helps the Company to adapt and be ahead of the competition in this rapidly changing global environment.

The industrial relation at all the plant sites of your Company is cordial.

As on 31st March, 2019, the Company's permanent employee strength was 728 (785 as on 31st March, 2018).

DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2019 and Profit of the Company for the period ended 31st March, 2019;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal finance controls were in place and that the financial controls were adequate and were operating effectively;
- had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT & AUDITORS

Statutory Audit

The Auditors, M/s. Bhuta Shah & Co. LLP, Chartered Accountants (Firm Registration No. W100100) were appointed as Statutory Auditors at the 26th Annual General Meeting held on Thursday, 27th September, 2018 for a term of five (5) years i.e. till the conclusion of the 31st Annual General Meeting of the Company.

The Auditors report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

Secretarial Audit:

Pursuant to Section 204 of the Companies Act, 2013, the Board of Directors has appointed Ms. Khushboo Bakul Gopani, a Practicing Company Secretary (Membership No.29194, Certificate of Practice No. 10560) as Secretarial Auditor to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed to this report as **Annexure - G**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except one observation which is explained under Corporate Social Responsibility hereinabove in this report.

Cost Audit:

As specified under section 148(1) of the Companies Act, 2013, your Company maintains cost accounting records. However your Company is a 100% export oriented unit and therefore, it is exempted from audit of its cost accounting records.

APPRECIATION:

The directors place on record their appreciation for the contribution made by the employees at all levels enabling the Company to achieve the performance during the year under review.

The directors also appreciate the valuable co-operation and continued support extended by Company's Bankers, Medical Professionals, Business Associates and Investors who have put their faith in the Company.

For and on behalf of the Board of Directors of
Marksans Pharma Limited

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 9th August, 2019

ANNEXURE - A

Annexure to the Report of the Board of Directors

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

a) **Energy Conservation measures taken:**

The Company continues with its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy.

The following energy conservation methods were implemented during the year.

- a) Intensified internal audit aimed at detecting wastage and leakage of utility Circuits.
- b) Scheduled production to avoid usage of diesel during "Weekly Power Shutdown".
- c) Optimisation of Agro Waste Fired Boilers.
- d) Optimisation in use of cooling water pumps.
- e) Use of energy efficient pumps and motors.
- f) Chemical dosing of cooling/chilling water system.
- g) Installed energy efficient motors for chilling plant compressors.
- h) Cold insulation ducting and HVAC system are regularly checked and sections redone.
- i) Conducted compressed air audit.
- j) Optimised air compressor pressure.

b) **Additional investments:**

- a) Continuously install electronic devices to improve quality of power and reduction of energy consumption.
- b) Install efficient steam boiler burner.
- c) Harmonics and power factor improvements.
- d) Install energy saving lamps.
- e) Install VFD for air compressor motors.

c) **Impact of above measures:**

The adoption of energy conservation measures have resulted in considerable savings and increased level of awarness amongst the employees. The energy conservation measures have also resulted in improvement of power factor and consequential tariff benefits. These measures have also resulted into better quality of power, reduction in fossil fuel combustion, optimal utilization of resources resulted in overall efficiency improvement and reduced consumption of fuel, water and power resulted in lowering overall costs.

d) **Energy Consumption:**

Particulars	2018-19	2017-18
1 Electricity		
(a) Purchases		
Units (kwhs)	96,60,120	84,33,300
Total Amount (₹)	56,6,60,063.00	5,07,91,976.00
Rate/ Unit (₹)	5.87	6.02
(b) Own Generation		
Through Diesel		
Units (units in '000)	714.05	525.87
Units per Ltr of Diesel oil	3.50	3.70
Cost/ Unit (₹)	19.56	15.68
2 Agro Waste Consumption		
Qty (units in '000)	2,904.26	3,005.37
Total Amount (₹'000)	11,540.70	11,185.43
Average Rate	3.97	3.72

B. TECHNOLOGY ABSORPTION

Research and Development (R&D)

1 **Specific areas in which R&D carried out by the Company.**

Foray into Generic business and identification of few niche areas for product development, mainly in dossier development, post patent filing for regulated and emerging markets. The company is building future by strengthening its research formulation through consistent investments in every aspect of its R&D programs, be its Generics Research or Advanced Drugs Delivery Systems (ADDS). The Generics R&D programs continues to create meaningful product pipelines for the US, European and other advanced and emerging markets.

2 **Benefits derived as a result of above R & D**

The year was a strong year for the company's R&D as the Company continued to benefit from its consistent investments in research through increase in number of products exported to US, Europe and other regulated and emerging markets.

3 **Future plan of action**

Development of new and innovative products will lead to evolution of comprehensive range of generics leading to Abbreviated New Drug Applications / Dossiers for filing.

4 Expenditure on R&D

The Company continues to benefit from the extensive Research and Development (R&D) activity carried on. The Company has set-up a New Research & Development centre at Navi Mumbai, Maharashtra with a view to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and to file a larger number of ANDAs.

During the year, the Company has incurred expenses of R & D nature for new product development and ANDA / Dossiers filing for regulated and emerging markets.

(₹ in Lakh)

Expenditure on R&D	Goa	Navi Mumbai	Total
a. Capital expenditure	Nil	883.83	883.83
b. Revenue expenditure	496.87	74.38	571.25
c. Total			1,455.08

d. Total R&D expenditure as a percentage of total standalone revenue- 3.37 %

Technology absorption, adaptation and innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

   Improvements in process parameters, up-gradation of plant and systems facility, working systems, documentation and practices to international regulatory standards for European and U.S. Market.

2. Benefits derived as a result of the above efforts.

   Bio Fuel being substantially cheaper to Furnace Oil, its usage will generate savings in fuel cost. Also it will save time on steam generation and add to operator safety. Access to highly regulated markets, thereby increasing the sales volumes. Installation of new testing equipment has substantially reduced dependency on external testing, thereby reducing the overall operational time cycles. The same has also resulted in reduction in manpower. Improvements in process parameters have reduced the percentage rejection in the process thereby reducing the wastage of costly raw material.

3. Imported Technology

   Nil

C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the financial year 2018-19, the Company used foreign exchange amounting to ₹4,712.61 Lakh (Previous Year ₹5,141.63 Lakh) and earned foreign exchange amounting to ₹40,870.10 Lakh (Previous Year ₹28,137.77 Lakh).

For and on behalf of the Board of Directors of
Marksans Pharma Limited

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 9th August, 2019

ANNEXURE - B

Annexure to the Report of the Board of Directors

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities and build a better sustainable way of life for weaker sections of society. The Company's CSR policy is available on the Company's website at http://marksanspharma.com/compliances.html
2.	Composition of CSR Committee	(i) Mr. Varddhman Vikramaditya Jain - Chairman (ii) Mrs. Sandra Saldanha – Member (iii) Mr. Seetharama R. Buddharaju – Member
3.	Average Net Profits of the Company for last three financial years	₹4,028.66 Lakh
4.	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	₹80.57 Lakh
	Details of CSR Spent during the financial year - Total Amount to be spent for the financial year - Amount unspent, if any - Manner in which the amount spent during the financial year is detailed below:	 ₹80.57 Lakh ₹80.57 Lakh N.A.
6.	Reasons for not spending the amount	During the year 2018-19, the Company has not spent any amount towards CSR. The CSR Committee of the Company had been meeting and discussing with number of NGOs to actively support and channelize the Company's CSR activities as per the CSR Policy of the Company. However, the Company could not identify right avenues for the purpose. The Company is continuing its efforts in identifying right activities as per its CSR Policy to achieve CSR objectives.

The CSR Committee confirms that implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Place: Mumbai
Date: 9th August, 2019

Mr. Varddhman Jain
Chairman- CSR Committee

Mr. Mark Saldanha
Managing Director

ANNEXURE - C

Annexure to the Report of the Board of Directors

Corporate Governance Report 2018-19

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to the principles of good corporate governance to achieve long term corporate goals and to enhance shareholders value by managing its operations at all levels with highest degree of transparency, responsibility and delegation with equity in all facets of its operations leading to sharp focus and operationally efficient growth. The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies. The strong internal control system and procedures and codes of conduct for observance by the Company's directors and employees are conducive in achieving good corporate governance practices in the Company. The compliance report is prepared and given below in conformity with the mandatory requirements of Regulation 34(3) and Schedule V of the SEBI (LODR) Regulations, 2015.

BOARD OF DIRECTORS

As on the date of this report, the total number of Directors on the Board is six (6). Out of that three (3) Directors are non-executive and independent. During the financial year under review, Six (6) Board Meetings were held on the following dates: 30.05.2018, 06.08.2018, 25.08.2018, 13.11.2018, 24.01.2019 and 08.02.2019

None of the Directors are members of more than 10 Committees of the Board nor are the Chairman of more than 5 Committees of the Board across all the companies in which they are directors. The details as to Composition, Status, Attendance at the Board Meetings and the last Annual General Meeting, outside Directorship and other Committees membership are as follows:

Name of the Director (DIN No.)	Executive/ Non-executive/ Independent/ Promoter	No. of Shares in the Company	No. of Board Meetings attended out of 6 held	No. of outside directorship in Public Limited Companies*	Member-ship held in Committee of Directors**	Chairman-ship held in Committee of Directors**	Whether attended last AGM held on 27.09.2018
Mr. Mark Saldanha (Chairman & Managing Director) (DIN: 00020983)	Executive, Non-Independent & Promoter	197491553	4	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha (DIN: 00021023)	Executive, Non-Independent & Promoter	180	6	Nil	Nil	Nil	Yes
Dr. Vinay Gopal Nayak (up to 31.12.2018) (DIN: 02577389)	Executive & Non-Independent	Nil	4	Nil	Nil	Nil	Yes
Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019) (DIN: 08338573)	Executive & Non-Independent	Nil	1	Nil	Nil	Nil	N.A.
Mr. S R Buddharaju (DIN: 03630668)	Non-executive & Independent	Nil	6	Nil	Nil	Nil	Yes
Mr. Ajay Shivram Joshi (DIN: 00947684)	Non-executive & Independent	Nil	6	Nil	Nil	Nil	No
Mr. Digant Mahesh Parikh (DIN: 00212589)	Non-executive & Independent	Nil	4	Nil	Nil	Nil	No

* This excludes directorship held in private companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013.

** Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders Relationship Committee in public companies only. This does not include membership/chairmanship in Committee of Directors of Marksans Pharma Limited.

Name of listed Companies in which Company's director is also a director

Name of the Director	Name of other listed Companies in which also holds directorship	Category of Directorship	Relationship between Directors inter-se
Mr. Mark Saldanha	Nil	-	Relative of Mrs. Sandra Saldanha
Mrs. Sandra Saldanha	Nil	-	Relative of Mr. Mark Saldanha
Dr. Vinay Gopal Nayak (Upto 31.12.2018)	Nil	-	None
Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	Nil	-	None
Mr. Seetharama Raju Buddharaju	Nil	-	None
Mr. Ajay Shivram Joshi	Nil	-	None
Mr. Digant Mahesh Parikh	Nil	-	None

Details of core skills/expertise/competencies identified by the Board of Directors required in the context of its business and sector for it to function effectively and those actually available with the Board

Skills/expertise/competencies identified by the Board which are required in the context of its business and sector	The board of Directors shall comprise of directors having right skills/expertise/competencies that allow them to make effective contributions to the Board and its Committees. Such Skills/expertise/competencies as identified by the Board are: 1. All Board members shall be financially literate and at least one member shall have accounting or related financial management expertise. 2. Members of the Board shall be capable of risk assessment and suggest risk mitigation measures in general and particularly with respect to risk associated with the pharma sector. 3. Right qualification and expertise necessary to run pharma industry. 4. Expertise in corporate strategy, budgets and business plans and setting performance objectives. 5. Best corporate governance practice. 6. Monitoring in general management of affairs of the Company. 7. Board members should act in good faith and with due diligence and care and in the best interest of the Company and shareholders. 8. Board members should be capable of exercising independent judgment. 9. Board members should be able to commit themselves effectively to their responsibilities.
Skills/expertise/competencies actually available with the Board	The Company's Board is comprised of perfect blend of the above skills/ expertise/competencies.

INDEPENDENT DIRECTORS

In the opinion of the Board of Directors of the Company, the independent directors fulfilled the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management. The Company has received necessary declaration from all the independent directors confirming that they meet the criteria of independence.

During the year under review, the Independent Directors held a meeting on 8th February, 2019 without the attendance of executive directors and the management. The Independent Directors reviewed performance of non-independent directors and the Board of Directors as a whole and performance of the Chairman of the Company. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and the directors.

The Company proactively keeps its independent directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issue being faced by the industry. The Company also familiarize the independent directors about their role, functions and responsibilities.

AUDIT COMMITTEE

The Audit Committee consists of Directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Dr. Vinay Gopal Nayak (upto 31.12.2018), Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019), Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh. The Managing Director and Head of Finance are invited to the audit committee meetings. Company Secretary acts as the Secretary to the

Committee. The constitution, functions and the terms of reference of Audit Committee are those prescribed under Regulation 18 and Schedule V of the SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

Terms of reference of Audit Committee, inter alia, includes the following:

1. Oversight of financial reporting process and disclosure of its financial information.
2. Reviewing with the management, the annual financial statements, quarterly financial statements, auditors' report/ limited review report.
3. Recommendation for appointment, remuneration and terms of appointment of auditors.
4. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
5. Scrutiny of inter-corporate loans and investments.
6. Evaluation of internal financial controls and risk management systems.
7. Reviewing with the management, performance of statutory auditors and internal auditors, adequacy of internal control systems.
8. Reviewing the adequacy of internal audit function.
9. Reviewing the functioning of the whistle blower mechanism.
10. Reviewing the statement of significant related party transactions.
11. Reviewing the internal audit reports.

During the financial year under review, the Audit Committee met five (5) times on 30.05.2018, 06.08.2018, 25.08.2018, 13.11.2018 and 08.02.2019. The necessary quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Attendance of the members of the Audit Committee was as under:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 5 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	5
2.	Dr. Vinay Gopal Nayak (upto 31.12.2018)	Member	Executive & Non Independent	4
3.	Mr. Vardhman Vikramaditya Jain (w.e.f. 24.01.2019)	Member	Non-executive & Independent	1
4.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	5
5.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	3

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company consists of independent directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh.

Terms of reference of Nomination and Remuneration Committee, inter alia, includes the following:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
3. Identifying persons who are qualified to become directors and who may be appointed in senior management.
4. Determining whether to extend or continue the terms of appointment of the independent directors on the basis of their performance evaluation.
5. Determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

During the financial year under review, the Nomination and Remuneration Committee met three (3) times on 06.08.2018, 24.01.2019, and 08.02.2019. The necessary quorum was present at all the meetings. Attendance of the members of the Nomination and Remuneration Committee was as under:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 3 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive &Independent	3
2.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	3
3.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	3

NOMINATION AND REMUNERATION POLICY:

The Company has in place Nomination and Remuneration Policy in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board for his/her appointment.
2. For the appointment of KMP (other than Managing/Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment.

For administrative convenience, the Managing Director is authorised to identify and appoint a suitable person for the position of KMP (other than Managing/Whole-time Director) and Senior Management.

3. Remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Committee and recommended to the Board for approval. Remuneration / compensation / commission, etc., as the case may be, are subject to approval of the shareholders of the Company and are in accordance with provisions of the Companies Act, 2013 and Rules made thereunder. The Managing Director of the Company is authorised to decide remuneration of KMP (other than Managing/Whole-time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

4. Remuneration / commission / sitting fees, as the case may be, to the Non-Executive/ Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.

5. An Independent Director is not entitled to any stock option of the Company.

REMUNERATION OF DIRECTORS

Directors Remuneration

The executive directors are paid remuneration under the applicable provisions of the Companies Act, 2013 with approval of the shareholders in the General Meeting. Details of the remuneration paid to the executive directors of the Company during the year ended 31st March, 2019 are given here below.

Name of Directors	Basic	Allowances	Bonus	Medial Reimbursement	Sitting Fees	Total
Mr. Mark Saldanha	96,00,000	7,72,320	60,000	-	-	1,04,32,320
Mrs. Sandra Saldanha	10,80,000	59,22,564	12,000	15,000	-	70,29,564
Dr. Vinay Gopal Nayak (upto 31.12.2018)	81,00,000	72,66,570	-	11,250	-	1,53,77,820
Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	11,29,032.26	15,07,091.29	-	3,750	-	26,39,874
Mr. Digant Mahesh Parikh	-	-	-	-	-	-
Mr. Ajay Shivram Joshi	-	-	-	-	-	-
Mr. Seetharama Raju Buddharaju	-	-	-	-	-	-

Note:

- The above figure does not include provisions for encashable leave, Company's Contribution to Provident Fund & Gratuity.
- Apart from the above remuneration, the executive directors are not paid any performance linked incentives nor are entitled to any severance fees.
- The Company has not issued any stock options either to its directors or employees.
- The executive directors are appointed by way of resolution passed by the shareholders of the Company.

Non-executive directors are not paid any remuneration except sitting fees for attending the meeting of the Board and Committees. Though the non-executive directors are eligible for sitting fees for attending meeting of the Board/Committees, the non-executive directors have not taken any sitting fees during the year. Apart from this, there is no pecuniary relationship or transaction between any non-executive directors and the Company.

Performance Evaluation criteria for directors including independent directors as set out by the Nomination and Remuneration Committee and approved by the Board of Directors

1. Attendance and contribution at Board and Committee meetings.

2. His stature, appropriate mix of expertise, skills, bahaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.

3. His knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.

4. His ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.

5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.

7. Recognize the role which he is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.

8. His global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.

9. Quality of decision making on source of raw material/ procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.

10. His ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

11. His contribution to enhance overall brand image of the Company.

12. Adherence to the various codes of conduct and policies framed by the Company as applicable.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee consists of Directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Dr. Vinay Gopal Nayak (upto 31.12.2018), Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019), Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh.

The Committee looks into the shareholders' and Investors' grievances. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures to improve the level of investor services.

Number of complaints received during the year : 6

Number of complaints resolved to the satisfaction of complainants: 6

Number of complaints outstanding as on 31.03.2019 : 0

Complaint/grievance were in the nature of Non receipt of dividend and annual report, Demat of Securities and others.

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 30.05.2018, 06.08.2018, 13.11.2018 and 08.02.2019. The necessary quorum was present at all the meetings.

Attendance of the members of the Stakeholders' Relationship Committee was as under.

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 4 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	4
2.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	4
3.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	2
4.	Dr. Vinay Gopal Nayak (upto 31.12.2018	Member	Executive & Non-Independent	3
5.	Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	Member	Executive & Non-Independent	1

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

CSR Committee of the Company consists of directors, namely Dr. Vinay Gopal Nayak (upto 31.12.2018), Mr. Varddhman Vikramaditya Jain (Chairman) (w.e.f. 24.01.2019), Mrs. Sandra Saldanha and Mr. Seetharama Raju Buddharaju. The Company has in place a CSR Policy formulated by CSR Committee and approved by the Board of the Company.

CSR Committee is responsible for execution, implementation, monitoring and reporting to the Board the projects and programs undertaken under the said CSR Policy.

During the financial year under review, CSR Committee met two (2) times on 30.05.2018 and 08.02.2019. The necessary quorum was present at the meetings. Attendance of the members at CSR Committee meetings was as under:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 2 held
1.	Dr. Vinay Gopal Nayak (upto 31.12.2018)	Chairman	Executive & Non-independent	1
2.	Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	Chairman	Executive & Non-independent	1
3.	Mrs. Sandra Saldanha	Member	Executive & Non-independent	2
4.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	2

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of Dr. Vinay Gopal Nayak (Chairman) (upto 31.12.2018), Mr. Varddhman Vikramaditya Jain (Chairman) (w.e.f. 24.01.2019), Mr. Seetharama R. Buddharaju and Mr. Jitendra Sharma. The Company has a Risk Management Policy formulated by Risk Management Committee and approved by the Board of the Company.

Risk Management Committee is responsible to implement and monitor risk assessment and minimization procedure and periodically report to the Board a risk assessment report and recommend to the Board risk mitigation measures, if any, for approval.

During the financial year under review, Risk Management Committee met two (2) times on 30.05.2018 and 08.02.2019. The necessary quorum was present at the meetings. Attendance of the members at Risk Management Committee meetings was as under:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 2 held
1.	Dr. Vinay Gopal Nayak (upto 31.12.2018)	Chairman	Executive & Non-independent	1
2.	Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	Chairman	Executive & Non-independent	1
3.	Mr. Seetharama R. Buddharaju	Member	Non-executive & Independent	2
4.	Mr. Jitendra Sharma	Member	Chief Financial Officer	2

SHARE TRANSFER SYSTEM

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent for both physical and demat segment. The Company has authorised Mr. Mark Saldanha, Managing Director, Mr. Jitendra Sharma, Chief Financial Officer and Mr. Harshavardhan Panigrahi, Company Secretary of the Company to approve share transfers lodged in physical mode, dematerialization/rematerialisation of shares, issue of duplicate share certificate on surrender of defaced/damaged/mutilated share certificates. The shares lodged in physical mode are transferred and returned in 15 days from the date of receipt, so long as the documents are complete in all respects. As on 31.03.2019, no shares were pending for transfer. However, vide Gazette Notification dated 8th June, 2018 and as amended, SEBI has mandated that with effect from 1st April, 2019, except in case of transmission or transposition of shares, transfer of shares of the Company would be carried out in dematerialised form only. No physical shares will be accepted for transfer from that date.

The Board has designated Mr. Harshavardhan Panigrahi, Company Secretary of the Company as Compliance Officer.

DISCLOSURES

a) **Related Parties Transactions:** The Company has been selling goods to its subsidiaries, Bell, Sons & Co (Druggists) Limited, Relonchem Limited, Time-Cap Laboratories Inc. and Nova Pharmaceuticals Australasia Pty Ltd. from time to time. These subsidiaries are related parties. All the transactions with these subsidiaries are in the ordinary course of business on arm's length basis and are repetitive in nature. These transactions are entered in the Register of Contracts and placed before the Board of Directors on a regular basis. The details of these related party transactions are also placed before the Audit Committee for review. The Audit Committee has granted an omnibus (ad hoc) approval to such types of transactions for smooth operations and in the interest of the Company and in accordance with the Company's Policy on Related Party Transactions. Sales to Nova Pharmaceuticals Australasia Pty. Ltd., in which the Company holds 60% of the share capital is within the limit of the Omnibus (ad hoc) approval of the Audit Committee of the Company. The other subsidiaries are wholly owned subsidiaries of the Company. Details of related party transactions during the year ended 31st March, 2019 has been set out under Note No. 37 of the Notes annexed to the Financial Statements for the year ended 31st March, 2019. There is no materially significant related party transaction that may have potential conflict with the interests of the Company. Company's policy on dealing with Related Party Transactions and policy for determining material subsidiaries are available on the Company's website www.marksanspharma.com.

b) There was no non-compliance during the last three years by the Company on any matter related to the capital market. Consequently, there were neither any penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

c) The Company has in place a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. Details of the Whistle Blower Policy are available on the Company's website www.marksanspharma.com. The said vigil mechanism also provides for adequate safeguard against victimisation of the person who uses such mechanism and direct access to the chairperson of the Audit Committee. During the financial year 2018-19, there was no instance of any unethical behaviour, actual or suspicious fraud or violation of the Company's operational policies and codes of conduct and no employee of the Company sought access to the Audit Committee.

d) During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

e) A certificate from Ms Khushboo Bakul Gopani, a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

f) During the financial year under review, the Board has accepted all the mandatory recommendations of the Committees of Directors.

g) Total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor is specified under Note No. 28.1 of the Notes annexed to the consolidated Financial Statements for the year ended 31st March, 2019.

h) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

   a. Number of complaint filed during the financial year 2018-19: Nil

   b. Number of complaint disposed of during the financial year 2018-19: NA

   c. Number of complaints pending as on end of the financial year 2018-19: Nil

i) The Company is not into any commodity trading activities.

j) More than 95% of the Company's revenue is derived from the export market. The Company also imports some of the raw materials. Therefore, the Company is exposed to foreign exchange fluctuation risk. The Company manages these risks by taking adequate forward cover from time to time.

k) The Company is fully compliant with the corporate governance requirements specified in the Companies Act, 2013 and in Schedule V of SEBI (LODR) Regulations, 2015 to the extent applicable.

l) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:

   i. The Company has an executive chairperson.

   ii. Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.

   iii. Every endeavor is made to make the financial statements with unmodified audit opinion.

   iv. At present, the post of chairperson and chief executive officer or managing director is one.

   v. The internal auditors' reports are placed before the Audit Committee from time to time.

m) There is no shares in the demat suspense account/unclaimed suspense account.

n) The Audit Committee of the Company reviews the financial statements of its subsidiary companies. Minutes of the meetings of the subsidiary companies are also placed before the Board of Directors of the Company from time to time.

o) The Company has in place Succession Plans for appointment to the Board of Directors and Senior Management.

p) During the year ended 31st March, 2019, all members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct framed pursuant to SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Regulation No.	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Subsidiary Company.	Yes
25	Independent Directors	Yes
26	Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

MANAGEMENT DISCUSSION & ANALYSIS REPORT.

The Annual Report has a separate and detailed chapter on Management Discussion & Analysis covering Industry structure and development, financial and operational performance of the Company, risks, concerns, opportunities, threat and outlook forming part of this report.

Details of significant changes (i.e. change of 25% or more as compared to immediately previous year) in key financial ratios, along with explanations are given below.

Key Financial Ratios	2017-18	2018-19	% Change	Explanations for change
Debtors Turnover	1.82	2.45	34.39	Increase in sales
Interest Coverage Ratio	4.77	10.86	127.77	Increase in EBITDA
Operating Profit Margin (%)	12.11	16.49	36.22	Increase in EBITDA
Net Profit Margin (%)	4.11	10.09	145.38	Increase in PAT
Return on Net Worth	2.90	9.27	219.66	Increase in PAT

MEANS OF COMMUNICATION

Quarterly, Half-yearly, and Annual results of the Company are published in one English newspaper (Business Standard) and one Marathi newspaper (Tarun Bharat). These are also submitted to the stock exchanges in accordance with the Listing Regulations and are available on the website of BSE (www.bseindia.com) & NSE (www.nseindia.com) and also on the Company's website (www.marksanspharma.com). The Company also displays official news releases on its web site from time to time.

The Company, on 21st November, 2018 participated in IDFC Annual Investor Conference "the stock called India" organized by IDFC Securities Limited. Apart from this, the Company has not made any presentation to institutional investors or analysts.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

CREDIT RATINGS

India Ratings & Research (Fitch Group) has revised Marksans Pharma Limited's outlook to stable from negative with respect to fund based and non-fund based bank facilities.

GENERAL BODY MEETINGS

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
Twenty Sixth	27.09.2018	10.30. A.M.	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.	2*
Twenty Fifth	26.09.2017	10.30 A.M.	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.	4**
Twenty Fourth	29.09.2016	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor D.N. Nagar, Link Road, Andheri (West), Mumbai – 400053.	1***

* Two (2) Special Resolutions were passed in the AGM held on 27th September, 2018:-

1. Extension of redemption period of 7% Redeemable Cumulative Preference Shares of ₹100/- each.
2. Approval of Marksans Employees Stock Option Scheme 2018.

** Four (4) Special Resolutions were passed in the AGM held on 26th September, 2017:-

1. Approval of re-appointment of Mrs. Sandra Saldanha (DIN 00021023) as a Whole-time Director.
2. Waiver of recovery of excess remuneration paid to Dr. Vinay Gopal Nayak, Whole-time Director for the financial year 2016-17.
3. Payment of remuneration to Dr. Vinay Gopal Nayak, Whole-time Director.
4. Approval of Marksans Employees Stock Option Scheme 2017.

*** One (1) Special Resolution was passed in the AGM held on 29th September, 2016 for approval of Marksans Employees Stock Option Scheme 2016.

POSTAL BALLOT

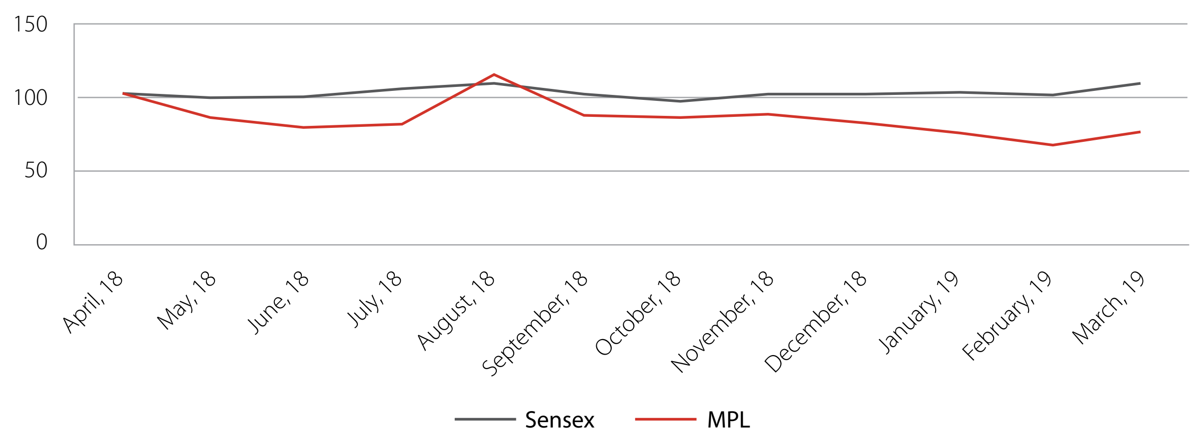
As of date, there is no proposal to pass any resolution by postal ballot. However, the Company is providing e-voting facility to its members to exercise their votes electronically.

CIN	L24110MH1992PLC066364
Registered Office	11th Floor, Grandeur, Veera Desai Extention Road, Oshiwara, Andheri (West), Mumbai - 400053.
AGM	Twenty Seventh (27) Annual General Meeting.
Day & Date	Thursday, 26th September, 2019
Financial Year	2018-2019
Time	10:30 am
Venue	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.
Financial calendar (Tentative schedule)	Financial Year - April to March First Quarter Results – 2nd week of August Second Quarter Results – 2nd week of November Third Quarter Results – 2nd week of February Last Quarter Results – 3rd / 4th week of May
Date of Book Closure	From Saturday, 21st September, 2019 upto Thursday, 26th September, 2019 (both days inclusive)
Dividend payment date	On or after 4th October, 2019
Listing on Stock Exchanges	BSE Limited The National Stock Exchange of India Limited (NSE) The annual listing fees for the year 2019-20 have been paid.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026
Depositories	Central Depository Services (India) Limited National Securities Depository Limited

Monthly high & low market price of shares on BSE during the period April, 2018 to March, 2019

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)
April, 2018	32.25	35.90	31.80	33.25
May, 2018	33.60	33.95	25.25	29.05
June, 2018	28.40	32.90	23.55	26.45
July, 2018	26.20	29.25	25.25	27.95
August, 2018	28.10	38.50	27.65	37.70
September, 2018	38.40	40.55	29.10	29.40
October, 2018	29.15	32.20	25.20	28.95
November, 2018	29.40	35.00	28.80	29.45
December, 2018	29.40	29.60	26.00	27.80
January, 2019	28.85	29.00	24.75	25.60
February, 2019	25.65	27.30	22.00	23.10
March, 2019	23.25	28.10	23.25	24.85

Marksans Pharma Ltd ("MPL") share price performance versus BSE Sensex during April, 2018 - March, 2019.



Shareholding Pattern as on 31.03.2019

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Individual	127151	97.77	366226317	89.47
Bodies Corporate	930	0.72	15295444	3.74
Trust	1	0.00	2000	0.00
Bank & Financial Institution (includes NBFC)	11	0.00	1825162	0.44
Clearing Members	251	0.19	4256994	1.04
NRIs	1680	1.29	6700740	1.64
FIIs (includes FPI)	39	0.03	14107041	3.45
Alternate Investment Fund	1	0.00	900000	0.22
Total	**130064**	**100.00**	**409313698**	**100.00**
Promoters	2	0.01	197491733	48.25
Non-Promoters	130062	99.99	211821965	51.75
Total	**130064**	**100.00**	**409313698**	**100.00**

Distribution of Shareholding as on 31.03.2019

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	126357	96.38	73896917	18.05
5001 – 10000	2528	1.94	19262562	4.71
10001 – 20000	117	0.86	16359399	4.00
20001 – 30000	377	0.29	9464094	2.31
30001 – 40000	171	0.13	6040747	1.48
40001 – 50000	125	0.10	5818530	1.42
50001 – 100000	224	0.17	16005340	3.91
Above 100000	165	0.13	262466109	64.12
Total	**130064**	**100.00**	**409313698**	**100.00**

Registrar and Transfer Agents	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri (East), Mumbai – 400059. Ph. No. 022-62638200 Fax No. 022-62638299 E-mail: investor@bigshareonline.com; Website: www.bigshareonline.com The Company's RTA has launched Gen-Next Investor Interface Module "iBoss" the most advanced tool to interact with investors. Shareholders are requested to login into "iBoss" and help them to serve you better.
Dematerialization of the Shares and Liquidity	Based on SEBI directives, Company's shares are traded in dematerialized form. As on 31.03.2019, 99.79% of the paid up equity share capital of the Company was in dematerialized form.
Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	-
Plant Locations	**India Formulation Plant** Marksans Pharma Limited L-82 & L-83 Verna Industrial Estate, Verna, Goa- 403 722. **U.K. Plant** Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL. **U.S.A. Plant** Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.
Address for Correspondence	Mr. Harshavardhan Panigrahi Company Secretary & Manager-Legal Marksans Pharma Limited 11th Floor, Grandeur, Veera-Desai Extension Road, Oshiwara, Andheri (West), Mumbai 400 053. Tel. No. : 022- 40012000 Fax No. 022- 40012011 Email: companysecretary@marksanspharma.com

Brief resume of the person proposed to be re-appointed as Director of the Company at the Annual General Meeting.

Name	Mrs. Sandra Saldanha (DIN: 00021023)
Age	47 Years
Qualification	Master of Arts (Sociology)
Experience	Human Resource Management, Business Development, Projects and Supply Chain Management
Name of the other public Companies in which also holds directorship	1. Marksans Pharma (UK) Limited 2. Marksans Holdings Limited 3. Relonchem Limited 4. Bell, Sons and Co (Druggists) Limited
Name of the other public Companies in the committee of which also holds membership / chairmanship	Nil
No. of shares held in the Company	180 Equity shares
Relationship with other Directors / Key Managerial Personnel	Relative of Mr. Mark Saldanha

Brief resume of the person proposed to be appointed as Independent Director of the Company at the Annual General Meeting.

Name	Mr. Abhinna Sundar Mohanty (DIN: 00007995)
Age	66 Years
Qualification	M. Sc. (Mathematics)
Experience	He has 39 years of experience in the pharmaceutical industry. He started his career with Alembic and went on to build his career through every cadre in sales and marketing department of pharma industry. During his career, he was engaged in sales, marketing, business development and business strategy for over 27 years in pharma industry. He was instrumental in globalising branded business of Pharma sector in most part of the world.
Name of the other public Companies in which also holds directorship	Rytus Therapeutics Limited
Name of the other public Companies in the committee of which also holds membership / chairmanship	Nil
No. of shares held in the Company	2687 Equity shares
Relationship with other Directors / Key Managerial Personnel	None

Auditor’s Certificate on Corporate Governance

To,
The Members,
MARKSANS PHARMA LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st June, 2019.

2. We, Bhuta Shah & Co LLP, Chartered Accountants, the Statutory Auditors of Marksans Pharma Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

MANAGEMENT’S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR’S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Bhuta Shah & Co LLP
Chartered Accountants

Atul Gala
Partner
Membership No. 048650
F. No. 101474W/W100100

Place: Mumbai
Date: 9th August, 2019

CEO / CFO Certification

To,
The Board of Directors
Marksans Pharma Limited

This is to certify with reference to the Annual Accounts of the Company for the year ended 31st March, 2019 that:-

a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2019 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d. We have indicated to the Auditors and the Audit committee:

   i. That there is no significant changes in internal control over financial reporting during the year;

   ii. That there are no significant changes in accounting policies during the year except implementation of Ind AS ; and

   iii. That there is no instance of any fraud which we have become aware of.

For Marksans Pharma Limited

Place: Mumbai
Date: 29th May, 2019

Mark Saldanha
Managing Director

Jitendra Sharma
Chief Financial Officer

Declaration on Compliance of the Company's Code of Conduct

This is to confirm that during the year ended 31st March, 2019, all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

For Marksans Pharma Limited

Place: Mumbai
Date: 29th May, 2019

Mark Saldanha
Managing Director

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Marksans Pharma Limited
11th Floor, Grandeur
Veera Desai Extension Road
Oshiwara, Andheri (West)
Mumbai - 400053

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MARKSANS PHARMA LIMITED (CIN:L24110MH1992PLC066364) and having registered office at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West) Mumbai - 400053 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate in accordance with the Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment
1	Mr. Mark Saldanha	00020983	06/10/2015
2	Mrs. Sandra Saldanha	00021023	25/09/2014
3	Mr. Digant Mahesh Parikh	00212589	14/03/2018
4	Mr. Varddhman Vikramaditya Jain	08338573	24/01/2019
5	Mr. Seetharama Raju Buddharaju	03630668	05/10/2011
6	Mr. Ajay Shivram Joshi	00947684	02/05/2011

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Khushboo B Gopani
Practicing Company Secretary
Membership No. A29194
CP No. 10560

Place: Mumbai
Date: 9th August, 2019

ANNEXURE - D

Annexure to the Report of the Board of Directors

Form No. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

I REGISTRATION & OTHER DETAILS:

i	CIN	L24110MH1992PLC066364
ii	Registration Date	16-04-1992
iii	Name of the Company	Marksans Pharma Limited
iv	Category of the Company	Public Company
v	**Address of the Registered office & contact details**	
	Address	11th Floor, Grandeur, Veera Desai Extention Road, Oshiwara, Andheri (West)
	Town / City	Mumbai
	State	Maharashtra - 400053
	Country Name	India
	Telephone (with STD Code)	022-40012000
	Fax Number	022-40012011
	Email Address	companysecretary@marksanspharma.com
	Website, if any	www.marksanspharma.com
vi	Whether listed company	Yes
vii	**Name and Address of Registrar & Transfer Agents (RTA):-**	
	Name of RTA	Bigshare Services Private Limited
	Address	1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri (East)
	Town / City	Mumbai
	State	Maharashtra
	Pin Code	400059
	Telephone	022-62638200
	Fax Number	022-62638299
	Email Address	investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY: 1

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Formulation of pharmaceutical products	210	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

No. of Companies for which information is being filled 3

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Marksans Pharma (UK) Ltd. Cheshire House, Gorsay Lane, Widnes, WA8 ORP.	NA	Subsidiary	100	2(87)
2	Marksans Pharma Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.	NA	Subsidiary	100	2(87)
3	Nova Pharmaceuticals Australasia Pty Ltd. Suite 305, 10 Norbik Drive, Bella Vista NSW 2153. Australia.	NA	Subsidiary	60	2(87)
4	Marksans Pharma GmbH, Blaustein, Germany	NA	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	197491733	0	197491733	48.25	197491733	0	197491733	48.25	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRI - Individual/	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individual/	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	**197491733**	**0**	**197491733**	**48.25**	**197491733**	**0**	**197491733**	**48.25**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	1070366	2000	1072366	0.26	1635572	2000	1637572	0.40	0.14
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	6050846	0	6050846	1.48	2987427	0	2987427	0.73	-0.75

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investor	12942237	0	12942237	3.16	11119614	0	11119614	2.72	-0.44
ii) Alternate Investment Fund	0	0	0	0.00	900000	0	900000	0.22	0.22
Sub-total (B)(1):-	**20063449**	**2000**	**20065449**	**4.9**	**16642613**	**2000**	**16644613**	**4.07**	**-0.83**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	21620329	3000	21623329	5.28	15292444	3000	15295444	3.74	-1.54
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	128768584	884290	129652874	31.68	132810841	830090	133640931	32.65	0.97
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	28636029	979000	29615029	7.24	35089653	0	35089653	8.57	1.33
c) Others (specify)									
i. Clearing Member	4510388	0	4510388	1.10	4256994	0	4256994	1.04	-0.06
ii. NRI	5935225	0	5935225	1.45	6700740	0	6700740	1.64	0.19
iii. Directors & Relatives	4000	0	4000	0.00	4000	0	4000	0.00	0.00
iv. Trust	2000	0	2000	0.00	2000	0	2000	0.00	0.00
v. NBFC	413671	0	413671	0.10	187590	0	187590	0.05	-0.05
Sub-total (B)(2):-	**189890226**	**1866290**	**191756516**	**46.85**	**194344262**	**833090**	**195177352**	**47.69**	**0.84**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**209953675**	**1868290**	**211821965**	**51.75**	**210986875**	**835090**	**211821965**	**51.75**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**407445408**	**1868290**	**409313698**	**100.00**	**408478608**	**835090**	**409313698**	**100.00**	**0.00**

ii Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Mark Saldanha	197491553	48.25	0%	197491553	48.25	0%	0.00
2	Mrs. Sandra Saldanha	180	0%	0%	180	0%	0%	0%
	TOTAL	**197491733**	**48.25**	**0%**	**197491733**	**48.25**	**0%**	**0.00**

iii Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No. I - Mr. Mark Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		197491553	48.25	197491553	48.25
Changes During the Year					
Increase					
Date	Reason for Increase				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	Reason for Decrease				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		197491553	48.25	197491553	48.25

Sl. No. II - Mrs. Sandra Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		180	0%	180	0%
Changes During the Year					
Increase					
Date	Reason for Increase				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	Reason for Decrease				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		180	0%	180	0%

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Annexure - D-I)

v Shareholding of Directors and Key Managerial Personnel:

S. No.: 1 Mr. Mark Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		197491553	48.25	197491553	48.25
Changes During the Year					
Increase					
Date	Reason for Increase				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	Reason for Decrease				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		197491553	48.25	197491553	48.25

S. No.: 2 Mrs. Sandra Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		180	0%	180	0%
Changes During the Year					
Increase					
Date	Reason for Increase				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	Reason for Decrease				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		180	0%	180	0%

S. No.: 3 Mr. Digant Mahesh Parikh		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		4000	0.00	4000	0.00
Changes During the Year					
Increase					
Date	Reason for Increase				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0.00	0	0.00
Decrease					
Date	Reason for Decrease				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		4000	0.00	4000	0.00

V INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	668576377	0	0	668576377
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**668576377**	**0**	**0**	**668576377**
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	107771586	0	0	107771586
* Reduction	0	0	0	0
Net Change	**107771586**	**0**	**0**	**107771586**
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	776347963	0	0	776347963
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**776347963**	**0**	**0**	**776347963**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Mr. Mark Saldanha	Mrs. Sandra Saldanha	Dr. Vinay G. Nayak (upto 31.12.2018)	Mr. Varddhman V. Jain (w.e.f. 24.01.2019)	
1	Gross salary	1,04,32,320.00	70,29,564.00	1,53,77,820.00	26,39,874.00	3,54,79,578.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,32,320.00	70,29,564.00	1,53,77,820.00	26,39,874.00	3,54,79,578.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	0	0	0	0	0
	- others, specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	**1,04,32,320.00**	**70,29,564.00**	**1,53,77,820.00**	**26,39,874.00**	**3,54,79,578.00**
	Ceiling as per the Act					**5,60,11,223.00**

B. Remuneration to other directors: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Mr. Seetharama R. Buddharaju	Mr. Ajay S. Joshi	Mr. Digant M. Parikh	
1	**Independent Directors**				
	Fee for attending board and committee meetings	0	0	0	0
	Commission	0	0	0	
	Others, please specify	0	0	0	
	Total (1)				**0**
2	**Other Non-Executive Directors**				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	**0**	**0**	**0**	**0**
	Total (B)=(1+2)	**0**	**0**	**0**	**0**
	Overall Ceiling as per the Act	Sitting fees of ₹1 Lac per meeting			
	Total Managerial Remuneration (A+B)				**3,54,79,578.00**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mr. Jitendra Sharma, Chief Financial Officer	Mr. Harshavardhan Panigrahi, Company Secretary	
1	Gross salary	1,10,26,456	21,29,358.00	1,31,55,814.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,10,26,456	21,29,358.00	1,31,55,814.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0		0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify…	0	0	0
5	Others, please specify	0	0	0
	Total	**1,10,26,456**	**21,29,358.00**	**1,31,55,814.00**

VII. PENALTIES/ PUNISHMENTS/ COMPOUNDING OF OFFENCES:

There were no Penalties, Punishments or Compounding of offences during the year ended 31st March, 2019

(ANNEXURE - D-I)

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the begining of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
1	MUKUL MAHAVIR PRASAD AGRAWAL	3800000	0.93	25.05.2018	200000	0.05	Purchased	4000000	0.98
				29.06.2018	200000	0.05	Purchased	4200000	1.03
				06.07.2018	800000	0.19	Purchased	5000000	1.22
				10.08.2018	1500000	0.34	Purchased	6500000	1.59
				30.11.2018	500000	0.12	Purchased	7000000	1.71
				25.01.2019	91695	0.02	Purchased	7091695	1.73
				01.02.2019	408305	0.1	Purchased	7500000	1.83
				08.03.2019	100000	0.02	Purchased	7600000	1.86
				31.03.2019				7600000	1.86
2	NATTY FERNANDES	2274213	0.56	10.08.2018	479000	0.12	Purchased	2753213	0.67
				31.03.2019				2753213	0.67
3	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT	2172546	0.53	08.06.2018	88790	0.02	Purchased	2261336	0.55
				08.03.2019	74385	0.02	Purchased	2335721	0.57
				31.03.2019				2335721	0.57

Sl. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the begining of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
4	SIMON FERNANDES	1380025	0.34	01.03.2019	500000	0.12	Purchased	1880025	0.46
				31.03.2019				1880025	0.46
5	SPDR S AND P EMERGING MARKETS ETF	46473	0.01	06.04.2018	600	0	Purchased	47073	0.01
				13.04.2018	1050	0	Purchased	48123	0.01
				20.04.2018	1050	0	Purchased	49173	0.01
				25.05.2018	278205	0.07	Purchased	327378	0.08
				01.06.2018	547143	0.13	Purchased	874521	0.21
				22.06.2018	-22712	0	Sold	851809	0.21
				06.07.2018	-7592	0	Sold	844217	0.21
				13.07.2018	-5706	0	Sold	838511	0.2
				20.07.2018	-34308	0	Sold	804203	0.2
				19.10.2018	42166	0.01	Purchased	846369	0.21
				02.11.2018	13447	0	Purchased	859816	0.21
				09.11.2018	101846	0.02	Purchased	961662	0.23
				16.11.2018	15376	0	Purchased	977038	0.24
				30.11.2018	9610	0	Purchased	986648	0.24
				14.12.2018	103973	0	Purchased	1090621	0.27
				21.12.2018	26936	0	Purchased	1117557	0.27
				28.12.2018	11550	0	Purchased	1129107	0.28
				11.01.2019	19010	0	Purchased	1148117	0.28
				18.01.2019	34272	0	Purchased	1182389	0.29
				25.01.2019	38010	0	Purchased	1220399	0.3
				08.02.2019	151842	0.04	Purchased	1372241	0.34
				15.02.2019	9952	0	Purchased	1382193	0.34
				22.02.2019	7616	0	Purchased	1389809	0.34
				01.03.2019	47608	0.01	Purchased	1437417	0.35
				08.03.2019	47700	0.01	Purchased	1485117	0.36
				31.03.2019				1485117	0.36
6	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	1431414	0.35	31.03.2019	-	-	-	1431414	0.35
7	DIMENSIONAL EMERGING MARKETS VALUE FUND	0	0	15.06.2018	194311	0.05	Purchased	194311	0.05
				22.06.2018	222157	0.05	Purchased	416468	0.10
				29.06.2018	117040	0.03	Purchased	533508	0.13
				13.07.2018	296859	0.07	Purchased	830367	0.20
				20.07.2018	59181	0.01	Purchased	889548	0.22
				24.08.2018	88157	0.02	Purchased	977705	0.24
				11.01.2019	35887	0.01	Purchased	1013592	0.25
				22.02.2019	36084	0.01	Purchased	1049676	0.26

Sl. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the begining of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
				01.03.2019	74734	0.02	Purchased	1124410	0.27
				15.03.2019	108526	0.03	Purchased	1232936	0.30
				22.03.2019	155129	0.04	Purchased	1388065	0.34
				31.03.2019				1388065	0.34
8	MV SCIF MAURITIUS	2181239	0.53	06.04.2018	-20141	0	Sold	2161098	0.53
				27.04.2018	-322115	0.08	Sold	1838983	0.45
				04.05.2018	-12362	0	Sold	1826621	0.45
				15.06.2018	-39922	0.1	Sold	1786699	0.44
				22.06.2018	-6454	0	Sold	1780245	0.43
				29.06.2018	-79520	0.02	Sold	1700725	0.42
				27.07.2018	19846	0	Purchased	1720571	0.42
				27.09.2018	-244960	0.06	Sold	1475611	0.36
				16.11.2018	-4582	0	Sold	1471029	0.36
				23.11.2018	34116	0.01	Purchased	1505145	0.37
				28.12.2018	28933	0.01	Purchased	1534078	0.37
				15.03.2019	-17472	0	Sold	1516606	0.37
				22.03.2019	-180085	0.04	Sold	1336521	0.33
				29.03.2019	-8956	0	Sold	1327565	0.32
				31.03.2019				1327565	0.32
9	PACE STOCK BROKING SERVICES PRIVATE LIMITED	28673	0.01	06.04.2018	-1156	0		27517	0.01
				13.04.2018	2925	0		30442	0.01
				20.04.2018	-100	0		30342	0.01
				27.04.2018	400	0		30742	0.01
				18.05.2018	-9450	0		21292	0.01
				25.05.2018	-1860	0		19432	0.00
				01.06.2018	-5000	0		14432	0.00
				08.06.2018	4580	0		19012	0.00
				15.06.2018	7085	0		26097	0.01
				22.06.2018	-8100	0		17997	0.00
				29.06.2018	-200	0		17797	0.00
				06.07.2018	5200	0		22997	0.01
				13.07.2018	-100	0		22897	0.01
				20.07.2018	300	0		23197	0.01
				27.07.2018	-450	0		22747	0.01
				03.08.2018	3150	0		25897	0.01
				10.08.2018	36550	0.01		62447	0.02
				17.08.2018	33905	0.01		96352	0.02
				24.08.2018	-45925	0.01		50427	0.01
				31.08.2018	3700	0		54127	0.01
				07.09.2018	3759	0		57886	0.01

Sl. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the begining of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
				14.09.2018	-3930	0		53956	0.01
				21.09.2018	9500	0		63456	0.02
				27.09.2018	-1525	0		61931	0.02
				28.09.2018	7925	0		69856	0.02
				05.10.2018	-22700	0.01		47156	0.01
				12.10.2018	-600	0		46556	0.01
				19.10.2018	1920	0		48476	0.01
				02.11.2018	200	0		48676	0.01
				09.11.2018	-198	0		48478	0.01
				16.11.2018	-14375	0		34103	0.01
				23.11.2018	-2650	0		31453	0.01
				30.11.2018	-10479	0		20974	0.01
				07.12.2018	-1000	0		19974	0.00
				14.12.2018	-9930	0		10044	0.00
				21.12.2018	-50	0		9994	0.00
				31.12.2018	-1000	0		8994	0.00
				04.01.2019	1200000	0.29		1208994	0.30
				11.01.2019	80	0		1209074	0.30
				18.01.2019	-80	0		1208994	0.30
				25.01.2019	-2	0		1208992	0.30
				15.02.2019	25	0		1209017	0.30
				22.02.2019	-525	0		1208492	0.30
				01.03.2019	-1000	0		1207492	0.30
				08.03.2019	-800	0		1206692	0.29
				15.03.2019	1175	0		1207867	0.30
				22.03.2019	-1175	0		1206692	0.29
				29.03.2019	5000	0		1211692	0.30
				31.03.2019				1211692	0.30
10	NAISHADH JAWAHAR PALEJA	1200000	0.29	31.03.2019	-	-	-	1200000	0.29

ANNEXURE - E

Annexure to the Report of the Board of Directors

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of employees
    a. Mr. Mark Saldanha, Managing Director: 83.96
    b. Mrs. Sandra Saldanha, Whole-time Director: 56.57
    c. Dr. Vinay Gopal Nayak (upto 31.12.2018), Whole-time Director: 179.90
    d. Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019), Whole-time Director: 99.68
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31st March, 2019
    a. Mr. Mark Saldanha, Managing Director: 0
    b. Mrs. Sandra Saldanha, Whole-time Director: 0
    c. Dr. Vinay Gopal Nayak (upto 31.12.2018), Whole-time Director: 9.63
    d. Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019), Whole-time Director: 0
    e. Mr. Jitendra Sharma, Chief Financial Officer: 25
    f. Mr. Harshavardhan Panigrahi, Company Secretary: 6
3. Percentage increase in the median remuneration of employees in the financial year ended 31st March, 2019 in comparison to the financial year ended 31st March, 2018: -32.55%
4. Number of permanent employees as on 31st March, 2019: 728
5. a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 26.71
    b. Percentile increase in the managerial remuneration in the last financial year:
        i. Mr. Mark Saldanha, Managing Director: 0
        ii. Mrs. Sandra Saldanha, Whole-time Director: 0
        iii. Dr. Vinay Gopal Nayak (upto 31.12.2018), Whole-time Director: 2.19
        iv. Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019), Whole-time Director: -
        v. Mr. Jitendra Sharma, Chief Financial Officer: 0
        vi. Mr. Harshavardhan Panigrahi, Company Secretary: 14
    c. Justification of the above: Remuneration is based on individual performance
    d. Any exceptional circumstances for increase in the managerial remuneration: None
6. The remuneration of all the Directors, Key Managerial Personnel and other employees are as per the remuneration policy of the Company.

ANNEXURE - F

Annexure to the Report of the Board of Directors

Statement of particulars of top ten employees in terms of remuneration pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name of Employee	Mr. Mark Saldanha	Mrs. Sandra Saldanha	Dr. Vinay G. Nayak (upto 31.12.2018)	Mr. Jitendra Sharma
2.	Age	46 Years	47 Years	62 years	49 Years
3.	Qualification	Science Graduate	MA (Sociology)	M.Sc. and Ph.D in Chemistry	B.Com, CA and CWA
4.	Experience	23 Years	23 Years	33 years	26 Years
5.	Designation	Managing Director	Whole-time Director	Whole-time Director	Chief Financial Officer
6.	Date of Commencement of Employment	6th October, 2005	25th September, 2014	21st March, 2016	06th September 2002
7.	Gross Remuneration	₹1,04,32,320	₹70,29,564	₹1,53,77,820	₹1,10,26,456
8.	Previous Employment	-	-	Emcure Pharmaceuticals Ltd.	-
9.	Percentage of equity shares held in the Company	48.25% (197491553 equity shares of Re. 1/- each)	- (180 equity Shares of Re. 1/- each)	Nil	Nil
10.	Whether relative of any director or manager of the Company	Relative of Mrs. Sandra Saldanha, Whole-time Director	Relative of Mr. Mark Saldanha, Managing Director	No	No

1	Name of Employee	Mr. Varddhman V. Jain	Mr. Sunil K Rane	Mr. Sopan Pisal	Mr. Subhendu Mohanty
2.	Age	49 Years	49 Years	47 Years	49 Years
3.	Qualification	M. Pharm	PG Diploma - Analytical Chemistry	PG Diploma - Analytical Chemistry	B. Tech, B.E. (Industrial)
4.	Experience	27 Years	27 Years	25 Years	25 Years
5.	Designation	Site Director – Goa Plant (Whole-time Director w.e.f.24.01.2019)	Sr. VP - QC	Director - QA	Sr. GM – Engineering & Project
6.	Date of Commencement of Employment	24th May, 2016	4th April, 2016	10th March, 2016	5th April, 2018
7.	Gross Remuneration	₹1,23,85,386.60	₹92,66,043	₹56,87,158.24	₹30,18,956.66
8.	Previous Employment	Watson Pharma Pvt. Ltd.	Cipla Ltd.	Emcure Pharmaceuticals Ltd.	Watson Pharma Pvt. Ltd.
9.	Percentage of equity shares held in the Company	Nil	Nil	Nil	Nil
10.	Whether relative of any director or manager of the Company	No	No	No	No

1	**Name of Employee**	**Mr. Piyush Joshi**	**Mr. Sridhar Naidu**
2.	Age	42 Years	40 Years
3.	Qualification	M.Sc. (Analytical Chemistry)	Post Graduate Diploma -Personnel Management
4.	Experience	20 Years	17 Years
5.	Designation	GM – Analytical & Development	GM – HR & Admin
6.	Date of Commencement of Employment	1st August, 2016	3rd October, 2016
7.	Gross Remuneration	₹30,18,956.66	₹28,07,368
8.	Previous Employment	Micro Labs Limited	Alembic Pharma
9.	Percentage of equity shares held in the Company	Nil	Nil
10.	Whether relative of any director or manager of the Company	No	No

There is no employee employed during the year drawing remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE - G

Annexure to the Report of the Board of Directors

Secretarial Audit Report

For the financial year ended on 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Marksans Pharma Limited
11th Floor, Grandeur
Veera Desai Extension Road
Oshiwara, Andheri (West)
Mumbai - 400053

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Marksans Pharma Limited** (CIN: L24110MH1992PLC066364) (herein-after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period) and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
2. Drugs (Price Control) Order, 2013 as amended;
3. Air (Prevention and Control of Pollution) Act, 1974;
4. Water (Prevention and Control of Pollution) Act, 1981.

Having regard to the compliance system prevailing in the Company, I, further report that on the examination of the relevant records and documents in pursuance thereof, on test-check basis,the Company has complied with the same.

I have also examined compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the Secretarial Standards issued by The Institute of Company Secretaries of India. Further the Company has generally complied with provisions of the Companies Act and Rules framed thereunder, Regulations and Guidelines subject to following observations that the Company has not spent expenditure towards Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Khushboo B Gopani
Practicing Company Secretary
Membership No. A29194
CP No. 10560

Place: Mumbai
Date: 9th August, 2019

ANNEXURE A

To
The Members
Marksans Pharma Limited
11th Floor, Grandeur
Veera Desai Extension Road
Oshiwara, Andheri (West)
Mumbai - 400053

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Khushboo B Gopani
Practicing Company Secretary
Membership No. A29194
CP No. 10560

Place: Mumbai
Date: 9th August, 2019

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
MARKSANS PHARMA LTD

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Marksans Pharma Limited ("the Company"), which comprises of the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr>
<td>1.</td>
<td>Investment in Subsidiaries:
Investment constitute significance portion of the standalone financial statements. The Company has investments of ₹2,360.73 million in Subsidiaries and all subsidiaries are located outside India.

The Company has following investments in the Equity Instruments in Subsidiary Companies:

<table>
<tr><th>Name of Subsidiary</th><th>Extent of Holding (%)</th></tr>
<tr><td>Nova Pharmaceuticals Australasia Pty Ltd.</td><td>60%</td></tr>
<tr><td>Marksans Pharma (UK) Ltd.</td><td>100%</td></tr>
<tr><td>Marksans Pharma Inc.</td><td>100%</td></tr>
</table>
</td>
<td>The Management of the Company provided financial statements of all subsidiaries. We followed appropriate audit procedure to evaluate financial statements of subsidiaries.

Following are the assertions for Investment in subsidiaries:

• Investment are properly described and classified in the standalone financial statements

• Investment represents investments actually owned by the Company.</td>
</tr>
</table>

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and accordingly to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;

   i. The Company has disclosed impact of pending litigations on its financial position in its standalone financial statements (refer note: 29)

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

   iii. There has been no requirement for transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650
Place : Mumbai
Date : 29th May, 2019

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Marksans Pharma Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on criteria for the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650
Place : Mumbai
Date : 29th May, 2019

"Annexure B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date.)

i. **In respect of property, plant and equipments (PPE):**

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

   b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets. Pursuant to the programme, certain fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.

   c) According to information & explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as reflected in PPE schedule, are held in the name of the Company wherever those are freehold. In respect of immoveable properties of land that have been taken on lease and disclosed in the Financial Statements as PPE, the lease agreements are in the name of the Company where the Company is lessee in the agreement.

ii. **In respect of its inventories:**

   The Inventories, except goods in transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties at year end written confirmations have been obtained. The discrepancies noticed on physical verification between physical stocks and book records were not material and have been dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has granted unsecured interest free loan to one subsidiary covered in the register maintained under Section 189 of the Act, in respect of which:

   1) The terms and conditions of the loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

   2) According to the information and explanations given to us, there is no stipulation of schedule of repayment of principal and therefore, we are unable to comment on the regularity of repayment of principal.

   3) In absence of any stipulation with regard to repayment, there is no overdue amount and hence clause (iii)(c) of Para 3 is not applicable to the Company.

iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and rules framed thereunder. Accordingly, the provisions of Clause (v) of Para 3 of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

vii. In respect of statutory dues:

   a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, Employees' State Insurance, Income-tax, Custom duty, Goods and Service tax, cess and/or any other material statutory dues wherever applicable, to the appropriate authorities. According to the information and explanations given to us, there were no outstanding material statutory dues as on 31st March, 2019 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues outstanding in respect of provident fund, Employees' State Insurance, Income-tax, Custom duty, Goods and Service tax, cess and/or any other material statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted, during the year, in the repayment of dues to banks, financial institutions or government. The Company did not have any outstanding debentures during the year.

ix. Based on our audit procedures and on the basis of information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the Clause (ix) of Para 3 of the Order is not applicable to the Company.

x. Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as specified under Section 406 of the Act. Accordingly, the provisions of Clause (xii) of Para 3 of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors and hence, provisions of Section 192 of the Companies Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650
Place : Mumbai
Date : 29th May, 2019

Standalone Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	97,18,62,051	87,88,18,184
Intangible assets	3	5,42,72,818	85,096
Financial assets			
(i) Investments	4	2,36,07,39,875	2,36,07,39,875
(iii) Other non- current financial assets	5	1,29,19,961	81,66,034
Total non-current assets		**3,39,97,94,705**	**3,24,78,09,189**
Current assets			
Inventories	6	70,36,36,943	42,29,28,024
Financial Assets			
(i)Trade receivables	7	1,77,82,97,309	1,68,87,21,901
(ii)Cash and cash equivalents	8	1,80,00,481	71,35,299
(iii)Other Financial Assets	9	14,87,12,748	14,69,95,420
Other current assets	10	7,14,36,034	5,92,78,220
Total current assets		**2,72,00,83,515**	**2,32,50,58,864**
TOTAL ASSETS		**6,11,98,78,220**	**5,57,28,68,053**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	40,93,13,698	40,93,13,698
Reserves and Surplus	12	4,29,64,29,619	3,88,03,97,078
Total equity		**4,70,57,43,317**	**4,28,97,10,776**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i)Borrowings			
(ii)Other financial liabilities	13	10,00,00,000	10,00,00,000
Deferred tax liabilities (Net)	14	7,02,92,948	6,01,11,379
Provisions	15	1,35,57,402	1,08,04,340
Total non current liabilities		**18,38,50,350**	**17,09,15,719**
Current liabilities			
Financial liabilities			
(i)Borrowings	16	77,32,69,848	66,30,87,577
(ii)Trade payables	17		
a) MSME		10,60,945	-
b) Other		37,11,94,784	33,68,03,839
(iii)Other financial liabilities	18	7,33,68,376	8,78,77,535
Provisions	19	56,17,177	39,61,126
Current tax liabilities (Net)	20	57,73,423	2,05,11,481
Total current liabilities		**1,23,02,84,553**	**1,11,22,41,558**
Total liabilities		1,41,41,34,903	1,28,31,57,277
TOTAL EQUITY AND LIABILITIES		**6,11,98,78,220**	**5,57,28,68,053**

See significant accounting policies and accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	2018-19 ₹	2017-18 ₹
INCOME			
Revenue from operations	21	4,24,16,01,968	2,94,66,22,764
Other income	22	7,93,04,313	7,42,85,194
Total Income		**4,32,09,06,281**	**3,02,09,07,958**
EXPENSES			
Cost of materials consumed	23	2,08,14,16,393	1,54,74,30,077
Purchases of Stock-in-Trade		30,90,66,890	18,32,55,266
Changes in inventories of finished goods, work-in-process and stock-in-trade	24	(2,70,86,525)	(3,72,09,103)
Employee benefits expense	25	46,32,99,275	45,85,61,046
Finance cost	26	6,56,21,921	7,67,16,023
Depreciation and amortization expense	27	8,68,71,682	12,25,06,851
Other expenses	28	78,16,04,415	50,31,23,325
Total expenses		**3,76,07,94,051**	**2,85,43,83,485**
Profit before tax		**56,01,12,230**	**16,65,24,473**
Tax expense:			
(1) Current Year		12,10,92,667	3,61,96,000
(2) Earlier year		(72,04,223)	37,281
(3) Deferred tax		1,00,48,779	60,17,921
Total Tax Expenses		**12,39,37,223**	**4,22,51,202**
Profit for the Year		**43,61,75,007**	**12,42,73,271**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Statement of Profit and Loss			
-Remeasurement of the net defined benefit plans		4,56,009	19,50,638
-Income tax relating to above		(1,32,790)	(7,25,680)
Other Comprehensive Income/(Loss) for the year		**3,23,219**	**12,24,958**
Total Comprehensive income for the year		**43,64,98,226**	**12,54,98,229**
Earnings per equity share of ₹1 each			
(1) Basic (in ₹)		1.07	0.30
(2) Diluted (in ₹)		1.07	0.30

See significant accounting policies and accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2019

A Share Capital

Particulars	Equity Shares of ₹1/- each		7% Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at 01.04.2018	40,93,13,698	40,93,13,698	10,00,000	10,00,00,000
Shares Issued during the Period	-	-	-	-
Shares redeemed during the Period	-	-	-	-
Shares outstanding at 31.03.2019	**40,93,13,698**	**40,93,13,698**	**10,00,000**	**10,00,00,000**
Shares outstanding at 01.04.2017	40,93,13,698	40,93,13,698	11,00,000	11,00,00,000
Shares Issued during the Period	-	-	-	-
Shares redeemed during the Period	-	-	1,00,000	1,00,00,000
Shares outstanding at 31.03.2018	**40,93,13,698**	**40,93,13,698**	**10,00,000**	**10,00,00,000**

B Other Equity

Particulars	RESERVES AND SURPLUS					
	Capital Reserves ₹	Capital Redemption Reserve ₹	Securities Premium Account ₹	General Reserve ₹	Surplus ₹	TOTAL ₹
Balance as at 1st April, 2018	1,22,500	3,50,00,000	1,75,13,17,328	3,13,73,65,569	(1,04,34,08,319)	3,88,03,97,078
Profit for the Period					43,61,75,007	43,61,75,007
Other comprehensive income-						
Remeasurement of the net defined benefit plans (net of tax)					3,23,219	3,23,219
Total comprehensive income for the year	-	-	-	-	**43,64,98,226**	**43,64,98,226**
On Redemption of Preference Share						-
Dividend for the year					(2,04,65,685)	(2,04,65,685)
Balance as at 31st March, 2019	1,22,500	3,50,00,000	1,75,13,17,328	3,13,73,65,569	(62,73,75,778)	4,29,64,29,619
Balance as at 1st April, 2017	1,22,500	2,50,00,000	1,75,13,17,328	3,13,73,65,569	(1,13,42,74,459)	3,77,95,30,938
Profit for the Period					12,42,73,271	12,42,73,271
Other comprehensive income-						
Remeasurement of the net defined benefit plans (net of tax)					12,24,958	12,24,958
Total comprehensive income for the year	-	-	-	-	**12,54,98,229**	**12,54,98,229**
On Redemption of Preference Share		1,00,00,000			(1,00,00,000)	-
Dividend for the year					(2,46,32,089)	(2,46,32,089)
Balance as at 31st March, 2018	1,22,500	3,50,00,000	1,75,13,17,328	3,13,73,65,569	(1,04,34,08,319)	3,88,03,97,078

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Notes to the Financial Statements for the year ended 31st March, 2019

BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. COMPANY INFORMATION

Marksans Pharma Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053, India.

The Company is primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulation. The Company's research and development facilities and manufacturing facilities are located at Plot no.L-82, & L-83, Verna Industrial Estate, Verna, Goa - 403722 and R & D Centre at Navi Mumbai.

The Company's shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

2. SIGNIFICANT ACCOUNTING POLICIES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Basis of Accounting

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

2.2. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in note 2.17 & 2.17.1.

These financial statements are prepared under the historical cost convention, except certain items which have been measured at their fair values, at the reporting date through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain/ Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss, unless they are considered for Property, plant and equipment and as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

2.4. Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing management involvement with the goods, the amount of revenue can be measured reliably, recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, value added tax, GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Revenue from contract research is recognized in the statement of profit and loss when right to receive a non-refundable payment from outlicensing partner is established.

Services

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Export entitlements

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Other income

Other income consists of interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in the statement of profit and loss. Dividend income is recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.5. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income/expense in the statement of profit and loss".

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The estimated useful lives are as follows:

Building- Factory	:	30 years
Building- Office	:	60 years
Plant and Equipment	:	15 years
Furnitures and Fixtures	:	10 years
Office Equipment	:	5 years
Vehicles	:	8 years
Computer and Software	:	3 to 6 years

Intangible assets are amortised over their estimated life on straight-line method as follows:

Internally Generated ANDA, Market Authorisation, Product Licences & Others: 5 to 10 years.

Individual assets costing less than ₹5,000/- are depreciated in full in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Advances paid towards the acquisition of property, plant and equipment outstanding at the reporting date and the cost of property, plant and equipment not put to use/ ready for its intended use before such date are disclosed under capital work in progress.

2.6. Borrowing Costs

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

2.7. Intangible Assets

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Based on the management estimate of the useful lives indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

The useful lives of Intangible assets are estimated over 5 - 10 years.

2.8. Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets

The carrying amounts of the Company's non-financial assets, other than inventories and trade receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9. Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income / expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income / expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income / expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 2.18 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.10 Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds initially is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments.

2.11 Inventories

Inventories of finished goods, consumable store and spares are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is ascertained on a specific identification method. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Excise accrued on production of goods, as applicable, were included earlier in the valuation of inventories in pre - GST era.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its fair value on a periodic basis.

2.12 Accounting for Income Taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised in Other Comprehensive Income, in which case it is recognised in Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable, if any, in respect of previous years.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax is not recognised for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Leasing Activities

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Land acquired on long term leases

The Company has capitalised the land acquired on long term lease. Such leases are acquired on payment of an upfront amount and do not carry any other minimum lease payments/other rentals over the lease term. The asset is initially recognized at the value of the upfront premium/charges paid to acquire the lease.

Operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

2.14 Equity

Share capital is determined using the nominal value of shares that are issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from Share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results, as disclosed in the statement of profit and loss.

2.15 Employee Benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds, approved superannuation schemes and other social securities, which are defined contribution plans, are recognised as an employee benefit expense in the statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of an approved gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each material plan by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

The benefit is discounted to determine the present value of the defined benefit obligation and the current service cost. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:

- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Service costs comprise of current service cost, past service cost, as well as gains and losses on curtailment and settlements. The benefit attributable to current and past periods of service is determined using the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the benefit is attributed on a straight-line basis. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. A gain or loss on the settlement of a defined benefit plan is recognised when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period, taking account of any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.

Remeasurement comprises of actuarial gains and losses, the return on plan assets (excluding interest),and the effect of changes to the asset ceiling (if applicable). Remeasurement recognised in other comprehensive income is not reclassified in the statement of profit and loss.

Compensated leave of absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, thus no liability is recognised in the balance sheet.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset upto the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

2.17 Critical accounting estimates and significant judgment in applying accounting policies

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Company's accounting policies, the following judgments have been made apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial information. Judgements are based on the information available at the date of balance sheet.

Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Company has also used Appendix C to Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

Deferred Tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

2.17.1 Estimation Uncertainty

The preparation of these financial statements is in conformity with Ind AS and requires the application of judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Estimates of life of various tangible and intangible assets, and assumptions used in the determination of employee-related obligations and fair valuation of financial and equity instrument, impairment of tangible and intangible assets represent the significant judgements and estimates made by management.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. The useful lives are specified in note 2.5 & 2.7.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 2.2). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses it's best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The financial statements have been prepared using the measurement basis specified by Ind AS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.18 Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at 31st March, 2019 is representative of the position of the year.

Credit Risk

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD & GBP and any appreciation in the INR will effect the credit risk. The Company is not significantly exposed to geographical distribution risk as the counterparties operate in various countries across the Globe.

Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:-

i. Debt availed in foreign currencies.
ii. Net investments in subsidiaries that are in foreign currencies.
iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Company.

Liquidity Risk

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Risk Management Committee as per the Risk Management Policy adopted by the Company.

Notes to the Financial Statements for the year ended 31st March, 2019

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold Land ₹	Buildings ₹	Plant and Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Office equipment ₹	Computer and Software ₹	Total ₹	Capital Work-in-progress ₹
Balance as at 1st April, 2018	96,65,840	39,47,42,290	91,05,56,707	5,27,91,544	6,90,23,814	88,06,852	5,88,47,403	1,50,44,34,450	-
Acquisitions	-	4,09,600	15,99,38,161	1,19,12,507	-	9,01,291	27,12,050	17,58,73,609	-
Disposals/Transfers	-	-	43,58,422	-	-	-	-	43,58,422	-
Balance as at 31st March, 2019	**96,65,840**	**39,51,51,890**	**1,06,61,36,446**	**6,47,04,051**	**6,90,23,814**	**97,08,143**	**6,15,59,453**	**1,67,59,49,637**	**-**
Accumulated Depreciation									
Balance as at 1st April, 2018	-	9,70,33,232	43,35,12,410	1,74,50,177	2,58,55,977	56,17,596	4,61,46,874	62,56,16,266	-
Depreciation for the year	-	1,05,20,459	5,18,05,554	48,28,331	77,65,669	8,35,232	61,81,484	8,19,36,729	-
Disposals	-	-	34,65,409	-	-	-	-	34,65,409	-
Balance as at 31st March, 2019	**-**	**10,75,53,691**	**48,18,52,555**	**2,22,78,508**	**3,36,21,646**	**64,52,828**	**5,23,28,358**	**70,40,87,586**	**-**
Carrying Value									
Balance as at 31st March, 2019	**96,65,840**	**28,75,98,199**	**58,42,83,891**	**4,24,25,543**	**3,54,02,168**	**32,55,315**	**92,31,095**	**97,18,62,051**	**-**
Balance as at 1st April, 2018	**96,65,840**	**29,77,09,058**	**47,70,44,297**	**3,53,41,367**	**4,31,67,837**	**31,89,256**	**1,27,00,529**	**87,88,18,184**	**-**
Balance as at 1st April, 2017	96,65,840	38,86,65,800	87,58,34,330	4,70,07,582	5,89,19,454	71,79,681	5,49,43,375	1,44,22,16,062	35,98,456
Acquisitions	-	60,76,490	3,47,22,377	57,83,962	1,01,04,360	16,27,171	39,04,028	6,22,18,388	
Disposals/Transfers	-	-	-	-	-	-	-	-	35,98,456
Balance as at 31st March, 2018	**96,65,840**	**39,47,42,290**	**91,05,56,707**	**5,27,91,544**	**6,90,23,814**	**88,06,852**	**5,88,47,403**	**1,50,44,34,450**	**-**
Accumulated Depreciation									
Balance as at 1st April, 2017	-	8,67,13,412	36,18,68,655	1,33,52,918	1,81,78,383	49,70,102	3,81,55,650	52,32,39,120	-
Depreciation for the year	-	1,03,19,820	7,16,43,755	40,97,259	76,77,594	6,47,494	79,91,224	10,23,77,146	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	**-**	**9,70,33,232**	**43,35,12,410**	**1,74,50,177**	**2,58,55,977**	**56,17,596**	**4,61,46,874**	**62,56,16,266**	**-**
Carrying Value									
Balance as at 31st March, 2018	**96,65,840**	**29,77,09,058**	**47,70,44,297**	**3,53,41,367**	**4,31,67,837**	**31,89,256**	**1,27,00,529**	**87,88,18,184**	**-**
Balance as at 1st April, 2017	**96,65,840**	**30,19,52,388**	**51,39,65,675**	**3,36,54,664**	**4,07,41,071**	**22,09,579**	**1,67,87,725**	**91,89,76,942**	**35,98,456**

Intangible Assets

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others ₹	Total ₹
Balance as at 1st April, 2018	51,38,86,882	51,38,86,882
Acquisitions	5,91,22,675	5,91,22,675
Disposals/Transfers		
Balance as at 31st March, 2019	**57,30,09,557**	**57,30,09,557**
Accumulated Depreciation		
Balance as at 1st April, 2018	51,38,01,786	51,38,01,786
Depreciation for the year	49,34,953	49,34,953
Disposals		
Balance as at 31st March, 2019	**51,87,36,739**	**51,87,36,739**
Carrying Value		
Balance as at 31st March, 2019	**5,42,72,818**	**5,42,72,818**
Balance as at 1st April, 2018	85,096	85,096

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others ₹	Total ₹
Balance as at 1st April, 2017	51,38,86,882	51,38,86,882
Acquisitions	-	-
Disposals/Transfers	-	-
Balance as at 31st March, 2018	**51,38,86,882**	**51,38,86,882**
Accumulated Depreciation		
Balance as at 1st April, 2017	49,36,72,081	49,36,72,081
Depreciation for the year	2,01,29,705	2,01,29,705
Disposals		
Balance as at 31st March, 2018	**51,38,01,786**	**51,38,01,786**
Carrying Value		
Balance as at 31st March, 2018	**85,096**	**85,096**
Balance as at 1st April, 2017	**2,02,14,801**	**2,02,14,801**

Note No.3.1

Land held on leasehold basis. Building includes those constructed on leasehold land.

Note No.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	GOA	Navi Mumbai	Total
Capital Expenditure (₹)	Nil	8,83,82,615	8,83,82,615

Note No.3.3

Refer Note No.16.1 for mortgage of above Fixed Assets.

NOTE NO. 4 NON-CURRENT INVESTMENTS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Unquoted Equity shares		
Investment in subsidiaries	2,36,07,39,875	2,36,07,39,875
Refer Note No.4.1		
Total	**2,36,07,39,875**	**2,36,07,39,875**

Note No. 4.1

Investment in Equity Instruments

Investment in Subsidiary companies

Unquoted fully paid (At cost)

Name of the Subsidiary	Extent of Holding (%)	Amount/ No of Shares	31st March, 2019	31st March, 2018
Nova Pharmaceuticals Australasia Pty Ltd.	60%	Amount ₹	1,59,05,003	1,59,05,003
		No of shares	90	90
Marksans Pharma (UK) Ltd.	100%	Amount ₹	66,92,37,881	66,92,37,881
		No of shares	85,96,941	85,96,941
Marksans Pharma Inc.	100%	Amount ₹	1,67,55,96,991	1,67,55,96,991
		No of shares	110	110
Total			**2,36,07,39,875**	**2,36,07,39,875**

Aggregate amount of quoted investment	Nil	Nil
Aggregate amount of Unquoted investment	2,36,07,39,875	2,36,07,39,875
Aggregate amount of Impairment in the Value	Nil	Nil
Investment in subsidiary - carried at cost	2,36,07,39,875	2,36,07,39,875

Note No. 4.2

The Company has Subsidiary namely Marksans Pharma GmbH which was formed in the financial year 2014-2015. The amount repatriated for its formation had been charged off to Statement of Profit & Loss as Subsidiary is dormant, since its incorporation.

NOTE NO. 5 OTHER NON- CURRENT FINANCIAL ASSETS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Unsecured, considered good		
Deposit	1,29,19,961	81,66,034
Total	**1,29,19,961**	**81,66,034**

NOTE NO. 6 INVENTORIES

a. Raw Materials and Packing Materials	57,89,86,167	32,53,63,774
b. Work-in-process	8,98,51,024	5,66,39,358
c. Finished goods	2,39,37,267	2,51,61,873
d. Stock-in-trade	1,08,62,485	1,57,63,019
Total	**70,36,36,943**	**42,29,28,024**

*Refer Note No.16.1 for hypothecation of above inventories.

NOTE NO. 7 TRADE RECEIVABLES

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Unsecured, considered good	19,74,14,671	23,63,37,356
From related parties (Refer Note:37(b)(i))	1,58,08,82,638	1,45,23,84,545
Less:- Allowance for Bad and doubtful debts	-	-
Total	**1,77,82,97,309**	**1,68,87,21,901**

NOTE NO. 8 CASH AND CASH EQUIVALENTS

a. Balances with banks		
In Current Account	1,08,99,377	52,47,287
In Dividend Accounts	13,67,665	13,02,182
b. Margin Money	54,67,529	3,00,000
c. Cash in hand	2,65,910	2,85,830
Total	**1,80,00,481**	**71,35,299**

Note No. 8.1

Dividend accounts represent balance maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividend.The corresponding liability for payment of dividends is included in other current financial liability.

Margin Money represent money given against Bank Guarantees.

NOTE NO. 9 OTHER CURRENT FINANCIAL ASSETS

Unsecured, considered good		
Foreign exchange forward contract	9,51,630	4,98,735
Advance to Marksans Pharma UK Ltd	14,54,46,446	14,54,46,446
Other Current Assets	23,14,672	10,50,239
Total	**14,87,12,748**	**14,69,95,420**

NOTE NO. 10 OTHER CURRENT ASSETS

Unsecured, considered good		
Merchandise Export Scheme Receivable	7,02,27,411	5,69,23,768
Others	12,08,623	23,54,452
Total	**7,14,36,034**	**5,92,78,220**

NOTE NO. 11 SHARE CAPITAL

Particulars	31st March, 2019		31st March, 2018	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable Cumulative Preference Shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000
Total	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up				
Equity Shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

NOTE NO. 11 SHARE CAPITAL *(Contd.)*

a. **Terms/rights attached to Equity Shares**

The Company has only one class of Equity Shares having a face value of ₹1/- per share. All the Equity Shares rank pari passu in all respect. Each holder of Equity Shares is entitled to one vote per share. The equity share holders are entitled to dividend, if declared by the shareholders in an Annual General Meeting, in proportion to the number of Equity Shares held by the shareholders. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

b. **Terms/rights attached to Preference Shares**

The Company's Issued, Subscribed and Paid-up Prefernece Share Capital is ₹10,00,00,000 (Rupees ten crore) divided into 10,00,000 Preference shares of ₹100/- each. With consent of the sole shareholder,redemption date of these preference shares have been extended upto 27th March, 2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07.02.2015, 150,000 Preference shares at par on 31.03.2017 and 100,000 preference shares at par on 14.03.2018.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2019		31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid				
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid				
Glenmark Pharmaceuticals Limited	10,00,000	100	10,00,000	100

NOTE NO. 12 OTHER EQUITY

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
a. **Capital Reserves**	1,22,500	1,22,500
	1,22,500	**1,22,500**
b. **Capital Redemption Reserve**		
Opening Balance	3,50,00,000	2,50,00,000
(+) Transferred from Profit and Loss	-	1,00,00,000
Closing Balance	**3,50,00,000**	**3,50,00,000**
c. **Securities Premium Account**		
Opening Balance	1,75,13,17,328	1,75,13,17,328
(+) Securities premium credited on Share issue	-	-
Closing Balance	**1,75,13,17,328**	**1,75,13,17,328**
d. **General Reserve**		
Opening Balance	3,13,73,65,569	3,13,73,65,569
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**3,13,73,65,569**	**3,13,73,65,569**
e. **Retained Earning**		
Opening balance	(1,04,34,08,319)	(1,13,42,74,459)

NOTE NO. 12 OTHER EQUITY *(Contd.)*

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
(+) Net Profit/(Net Loss) for the current year	43,61,75,007	12,42,73,271
(-) Transfer to Capital Redemption Reserve	-	(1,00,00,000)
(-) Dividend for the year including Dividend Distribution Tax	(2,04,65,685)	(2,46,32,089)
Other Comprehensive Income/(Loss)		
Items that will not be reclassified to Statement of Profit and Loss		
(+)Remeasurement of the net defined benefit plans Net of Tax	3,23,219	12,24,958
Closing Balance	**(62,73,75,778)**	**(1,04,34,08,319)**
Total	**4,29,64,29,619**	**3,88,03,97,078**

1. Capital Reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

2. Capital Redemption Reserve

The Company has redeemed 2,50,000 7% Redeemable Cumulative Preference Shares of ₹100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹2,50,00,000.00 has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

3. Securities Premium Account

The Company has on 30th March, 2015, issued and allotted 2,40,06,494 equity shares of ₹1/- each face value to qualified institutional buyers under QIP at a premium of ₹53.67 per equity share. Accordingly, the premium amount of ₹1,28,84,28,533.00 has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹46,28,88,795.00 received by the Company over and above the face value of shares issued on earlier dates.

4. General Reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

5. Retained Earning

Accumulated earnings include all current and prior period profits/(loss) as disclosed in the statement of profit and loss.

NOTE NO. 13 OTHER NON CURRENT FINANCIAL LIABILITIES

7% Redeemable Cumulative Preference Shares of ₹100/- each	10,00,00,000	10,00,00,000
Total	**10,00,00,000**	**10,00,00,000**

NOTE NO. 14 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities : DTL		
Accelerated depreciation	7,62,30,165	6,55,42,568
Total Deferred tax liability	**7,62,30,165**	**6,55,42,568**
Deferred Tax Assets : DTA		
Defined benefit obligations	57,16,427	51,10,032
Change in Fair valuation of Financial Assets	3,53,580	9,96,234
Total Deferred tax assets	60,70,007	61,06,266
Net Deferred tax Liability	**7,01,60,158**	**5,94,36,302**
Deferred Tax on OCI Liabilties	1,32,790	6,75,077
Deferred Tax on OCI Assets		
Net Deferred tax Liability	**7,02,92,948**	**6,01,11,379**

NOTE NO. 15 OTHER NON-CURRENT LIABILITIES-PROVISIONS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
- Gratuity	1,08,92,004	83,86,754
- Compensated absences	26,65,398	24,17,586
Total	**1,35,57,402**	**1,08,04,340**

NOTE NO. 16 BORROWINGS-CURRENT

Secured		
Working Capital facilities from Bank		
Borrowings in Foreign Currency	60,24,88,179	53,17,33,279
Borrowings in INR	17,07,81,669	13,13,54,298
Total	**77,32,69,848**	**66,30,87,577**

Note No.16.1

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the company's plant at Verna,Goa on a pari-passu basis. The Company has taken working capital from banks at interest rates of Libor+1% (In case of foreign currency) to 11.50% (in case of borrowings in INR)

NOTE NO. 17 TRADE PAYABLE

a)Total outstanding dues to Micro, Small & Medium Enterprises	10,60,945	-
b) Total outstanding dues to other than Micro, Small & Medium Enterprises	37,11,94,784	33,68,03,839
Total	**37,22,55,729**	**33,68,03,839**

NOTE NO. 18 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of Vehicle Loan	30,78,115	54,88,800
Employee Dues	5,48,49,248	5,93,96,228
Unclaimed Dividend	13,67,665	13,02,181
Deposits	10,000	10,000
Other Current Liability	1,40,63,348	2,16,80,326
Total	**7,33,68,376**	**8,78,77,535**

NOTE NO. 19 PROVISIONS

a. Provision for Gratuity and compensated absences (Refer Note 34)		
-Gratuity	34,04,814	24,99,707
-Leave Encashment	22,12,363	14,61,419
Total	**56,17,177**	**39,61,126**

NOTE NO. 20 CURRENT TAX LIABILITIES(NET)

Income Tax provision	57,73,423	2,05,11,481
(Provision of ₹12,88,75,067 net of Advance Payment ₹12,31,01,644)		
(PY Provision of ₹4,35,87,660 net of Advance Payment ₹2,30,76,179)		
Total	**57,73,423**	**2,05,11,481**

NOTE NO. 21 REVENUE FROM OPERATIONS

Particulars	2018-19 ₹	2017-18 ₹
Sale of products	4,11,42,32,891	2,86,04,01,877
Other operating revenues :-		
Scrap Sales	1,31,10,296	1,36,36,882
Export Incentives	11,42,58,781	7,25,84,005
Total	**4,24,16,01,968**	**2,94,66,22,764**

NOTE NO. 22 OTHER INCOME

Interest Income	2,54,579	4,31,897
Insurance Claim received	12,01,993	-
Unwinding discount on Security Deposits i.e. Interest Income	3,14,427	2,92,495
Change in Fair Value of Forward Contract	9,51,630	4,98,735
Foreign Exchange Gain	4,03,99,127	7,30,62,067
Dividend from Subsidiary	3,61,82,557	-
Total	**7,93,04,313**	**7,42,85,194**

NOTE NO. 23 COST OF MATERIALS CONSUMED

Inventory at the beginning of the year	32,53,63,774	23,20,73,781
Add: Purchases	2,33,50,38,786	1,64,07,20,070
Less: Inventory at the end of the Year	(57,89,86,167)	(32,53,63,774)
Cost of material and components consumed	**2,08,14,16,393**	**1,54,74,30,077**

NOTE NO. 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(Increase)/Decrease in inventories of finished goods, work-in-process and stock-in-trade		
Inventory at the beginning of the year		
Finished goods	2,51,61,873	1,62,91,184
Work-in-process	5,66,39,358	3,00,57,513
Stock-in-trade	1,57,63,019	1,40,06,451
	9,75,64,251	**6,03,55,148**
Inventory at the end of the year		
Finished goods	2,39,37,267	2,51,61,873
Work-in-process	8,98,51,024	5,66,39,358
Stock-in-trade	1,08,62,485	1,57,63,019
	12,46,50,776	**9,75,64,251**
(Increase)/Decrease in inventories of finished goods, work-in-process and stock-in-trade	**(2,70,86,525)**	**(3,72,09,103)**

NOTE NO. 25 EMPLOYEE BENEFITS EXPENSE

Particulars	2018-19 ₹	2017-18 ₹
(a) Salaries and Wages	43,81,31,331	42,20,06,055
(b) Contributions to - Providend fund , E.S.I.C. and other fund	2,06,41,306	2,14,94,242
(c) Staff welfare expenses	45,26,638	1,50,60,749
Total	**46,32,99,275**	**45,85,61,046**

Notes to the Financial Statements for the year ended 31st March, 2019

NOTE NO. 26 FINANCE COST

Particulars	2018-19 ₹	2017-18 ₹
Interest expense	3,13,49,534	4,21,34,729
Bank charges	2,72,72,387	2,53,13,728
Interest on Income Tax	-	-
Dividend on preference share including DDT	70,00,000	92,67,566
Applicable net loss/(Profit) on foreign exchange	-	
Total	**6,56,21,921**	**7,67,16,023**

NOTE NO. 27 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on tangible assets	8,19,36,729	10,23,77,146
Amortization of intangible asssets	49,34,953	2,01,29,705
Total	**8,68,71,682**	**12,25,06,851**

NOTE NO. 28 OTHER EXPENSES

Water Charges	22,65,281	23,60,413
Power & Fuel	8,21,69,394	7,02,24,553
Freight Inward & Raw Material Clearing Charges	2,76,25,200	2,01,59,802
Repairs & Maintenance - Plant and Machinery	3,62,71,295	3,67,06,191
Repairs & Maintenance - Building	10,98,907	25,44,354
Other Manufacturing Expenses	1,65,13,264	2,05,89,241
Rent	1,65,08,439	1,35,92,525
Rates & Taxes	34,72,674	8,01,330
Travelling Expenses	4,65,63,569	3,19,41,983
Communication Expenses	38,32,692	36,46,509
Courier & Postage Expenses	16,84,764	17,26,965
Printing & Stationery	9,66,008	15,66,491
Auditors Remuneration	12,00,000	3,37,000
Vehicle Expenses & Local Conveyance	72,50,473	71,36,592
Legal & Professional Fees	3,89,51,081	2,04,73,834
Office Expenses	61,08,425	39,42,747
Insurance Charges	95,35,599	33,67,783
Loss on sale of Fixed Assets	4,41,606	-
Other Operating Expenses	4,53,59,296	3,52,25,924
Food and drug administration fees	9,80,24,729	2,81,48,902
Freight Outward & Export Clearing Expenses	15,43,41,754	14,08,72,021
Selling & Distribution Expenses	18,14,19,965	5,77,58,165
Total	**78,16,04,415**	**50,31,23,325**

Note No.28.1

Details of Payments to the Auditor

a. Audit Fees	12,00,000	3,37,000
Total	**12,00,000**	**3,37,000**

NOTE NO. 29 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Contingent Liabilities		
a) Guarantees and Letter of Credit	29,82,13,254	10,46,68,231
b) Claims against the Company not acknowledged as debts – Taxation		
- A.Y. 2006-07 Appellate Authority - High Court (Demand for regular assessment)	Uncertain	Uncertain
- A.Y. 2006-07 Appellate Authority - High Court (Penalty)	57,99,493	57,99,493
	30,40,12,747	**11,04,67,724**

NOTE NO. 30 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Although the Company is required to spend ₹80,57,329 (PY ₹1,33,50,701) towards Corporate Social Responsibility, the Company has not spent any amount towards CSR Expenditure during the Year 18-19 (Previous Year: Nil).

NOTE NO. 31 RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Company as Research and Development expenditure during the financial year:-

R & D Expenditure	GOA	New Mumbai	Total
Capital Expenditure (₹)	Nil	8,83,82,615	8,83,82,615
Revenue Expenditure (₹)	4,96,87,506	74,37,656	5,71,25,162
TOTAL (₹)	**4,96,87,506**	**9,58,20,271**	**14,55,07,777**

NOTE NO. 32 PRODUCTION, SALES AND STOCK

Particulars	2018-19 ₹	2017-18 ₹
(a) **Sale of Products**		
Solid Orals, Tablets and Capsules	4,24,16,01,968	2,94,66,22,764
(b) **Finished goods purchased**		
Solid Orals, Tablets and Capsules	30,90,66,890	18,32,55,266
(c) **Raw & packing materials and consumables stores consumed**		
Ibuprofen	35,83,74,013	29,90,44,073
Metformin HCL	15,22,71,769	13,83,42,313
Paracetamol	6,50,83,036	3,28,09,640
Gliclazide	3,64,70,900	5,49,70,243
Gabapentin	31,46,23,638	6,88,09,505
Coating Material	2,32,80,128	2,97,13,638
Gelatin	5,96,03,232	4,22,07,168
Naproxin	6,58,28,355	8,46,98,438
Simvastatin	92,36,586	1,28,37,889
Levetiracetam	1,50,87,844	1,63,05,198
Sumatriptan	4,85,97,187	2,61,41,060
Others	93,29,59,705	74,15,50,912
Total	**2,08,14,16,393**	**154,74,30,077**

NOTE NO. 32 PRODUCTION, SALES AND STOCK *(Contd.)*

(d) Break-up of raw materials and consumables stores consumed

Particulars	2018-19		2017-18	
	(%)	₹	(%)	₹
Indigenous	82.45	1,71,60,38,737	74.80	1,15,74,97,544
Imported	17.55	36,53,77,656	25.20	38,99,32,533
Total	**100.00**	**2,08,14,16,393**	**100.00**	**1,54,74,30,077**

(e) Inventories of Finished Goods

Particulars	Opening Stock ₹		Closing Stock ₹	
	2018-19	2017-18	2018-19	2017-18
Inventories of finished goods (manufactured)				
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	2,51,61,873	1,62,91,184	2,39,37,267	2,51,61,873
Inventories of finished goods (traded)				
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	1,57,63,019	1,40,06,451	1,08,62,485	1,57,63,019

NOTE NO. 33

(a) Forex Outflow

C. I. F. Value of Imports	2018-19 ₹	2017-18 ₹
- Raw materials	33,09,29,423	43,12,06,444
- Capital Goods / Spare Parts and Components	3,19,42,741	1,32,54,718
- Legal and Professional fees	1,39,95,278	3,47,082
-Foreign Travelling	59,62,724	46,49,717
- Marketing expenses	34,82,620	43,62,871
- Food and Drug Administration and other fees	7,28,35,342	5,88,20,629
- Computer expenses	1,00,63,220	-
- Bank Interest and Charges	18,39,992	6,81,554
- Others	2,09,480	8,39,679
Total Forex Outflow	**47,12,60,820**	**51,41,62,694**

(b) Remittance in Foreign Currency on Account of Dividend

During the financial year 2018-19, the Company has not remitted any amount in foreign currencies on account of dividends. The dividends payable to non-resident shareholders have been paid in Indian Rupees to their Indian bank accounts mandated by them.

(c) Forex Earnings (on accrual basis) :

Earnings in foreign currency from exports / other income	4,08,70,10,393	2,81,37,76,600

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I Gratuity (defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Past Cost / (Gain)	93,171	-
Current Service Cost	(29,36,125)	(26,97,336)
Interest Cost	(8,05,598)	(6,53,521)
Scheme Cost (Income) to P&L	**(36,48,552)**	**(33,50,857)**

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Change in Financial Assumption	**(31,441)**	**3,04,696**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	(31,441)	3,04,696
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**1,12,875**	**7,81,391**
Total Actuarial Gain/(Loss) related to Liability	**81,434**	**10,86,087**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Defined Benefit Obligations (DBO)	(1,42,96,818)	(1,08,86,461)
Fair Value of Plan Assets	-	-
Net Assets / (Liabilities)	**(1,42,96,818)**	**(1,08,86,461)**

d A breakup of the defined benefit plan related balance sheet amounts as at 31st March, 2019 and 31st March, 2018, is shown below.

Current Liability	(34,04,814)	(24,99,707)
Non-Current Liability	(1,08,92,004)	(83,86,754)
Total	**(1,42,96,818)**	**(1,08,86,461)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(1,08,86,461)**	**(95,96,493)**
Past Service (Cost) / Gain	93,171	-
Current Service Cost	(29,36,125)	(26,97,336)
Interest Cost	(8,05,598)	(6,53,521)
Benefits paid including to be paid	1,56,761	9,74,802
Remeasurements due to Actuarial Gain / (Loss)	81,434	10,86,087
DBO at the end of the reporting period	**(1,42,96,818)**	**(1,08,86,461)**

f Change in Fair Value of Assets for the period ending as at 31st March, 2019 and 31st March, 2018

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

The Company has not invested in any plan assets.

g **The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2019 are as follows:**

Discount Rate	7.35%	7.40%
Rate of Salary Increase	**8.00%**	**8.00%**

h **Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:**

Duration of the Liability	5.5	5.7

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown as below.

Particulars	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2020 ₹	31st March, 2018 %	31st March, 2019 %	31st March, 2020 %
Base Scenario	**(1,08,86,461)**	**(1,42,96,818)**	**(1,44,62,698)**			
Discount Rate: Increase by 1%	(1,04,04,763)	(1,36,93,087)	(1,38,15,260)	-4.40%	-4.20%	-4.50%
Discount Rate:Decrease by 1%	(1,14,12,592)	(1,49,55,650)	(1,51,67,391)	4.80%	4.60%	4.90%
Salary Escalation Rate: Increase by 1%	(1,12,97,616)	(1,48,21,708)	(1,51,39,985)	3.80%	3.70%	4.70%
Salary Escalation Rate: Decrease by 1%	(1,04,98,086)	(1,38,02,858)	(1,38,26,205)	-3.60%	-3.50%	-4.40%
Withdrawal Rate: Increase by 20%	(1,02,08,760)	(1,34,78,915)	(1,24,91,433)	-6.20%	-5.70%	-13.60%
Withdrawal Rate: Decrease by 20%	(1,16,90,714)	(1,52,23,858)	(1,67,14,357)	7.40%	6.50%	15.60%
Mortality Rate: Increase by 20%	(1,08,91,494)	(1,43,01,458)	(1,44,56,759)	0.00%	0.00%	0.00%
Mortality Rate: Decrease by 20%	(1,08,81,422)	(1,42,92,166)	(1,44,68,623)	0.00%	0.00%	0.00%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

II **Compensated leave of absence plan (other long term benefit plan)**

The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

a **The Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Past Service Cost / (Gain)	38,269	-
Current Service Cost	(18,21,569)	(13,70,191)
Interest Cost	(2,87,046)	(2,90,055)
Scheme Cost (Income) to P&L	**(20,70,346)**	**(16,60,246)**

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Change in Financial Assumption	**(8,648)**	**87,641**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	(8,648)	87,641
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**3,83,223**	**7,76,910**
Total Actuarial Gain/(Loss) related to Liability	**3,74,575**	**8,64,551**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Defined Benefit Obligations (DBO)	(48,77,761)	(38,79,005)
Fair Value of Plan Assets (FVPA)	-	-
Net Assets / (Liabilities)	**(48,77,761)**	**(38,79,005)**

d A break-up of the defined benefit plan related balance sheet amounts as at 31st March, 2019 and 31st March, 2018, is shown below.

Current Liability	(22,12,363)	(14,61,419)
Non-Current Liability	(26,65,398)	(24,17,586)
Total	**(48,77,761)**	**(38,79,005)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(38,79,005)**	**(42,59,250)**
Past Service (Cost) / Gain	38,269	-
Current Service Cost	(18,21,569)	(13,70,191)
Interest Cost	(2,87,046)	(2,90,055)
Benefits paid	6,97,015	11,75,941
Remeasurements due to Actuarial Gain / (Loss)	3,74,575	8,64,551
DBO at the end of the reporting period	**(48,77,761)**	**(38,79,005)**

f Change in Fair Value of Assets for the period ending as at 31st March, 2019 and 31st March, 2018

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2019 are as follows:

Discount Rate	7.35%	7.40%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

Duration of the Liability	4	4.3

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations.The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown as below.

Particulars	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2020 ₹	31st March, 2018 %	31st March, 2019 %	31st March, 2020 %
Base Scenario	(38,79,005)	(48,77,761)	(49,78,407)			
Discount Rate: Increase by 1%	(37,39,311)	(47,10,925)	(47,92,308)	-3.60%	-3.40%	-3.70%
Discount Rate: Decrease by 1%	(40,30,002)	(50,57,970)	(51,78,712)	3.90%	3.70%	4.00%
Salary Escalation Rate: Increase by 1%	(40,28,744)	(50,56,738)	(52,25,729)	3.90%	3.70%	5.00%
Salary Escalation Rate: Decrease by 1%	(37,37,936)	(47,09,041)	(47,45,451)	-3.60%	-3.50%	-4.70%
Withdrawal Rate: Increase by 20%	(38,54,021)	(48,22,655)	(44,03,988)	-0.60%	-1.10%	-11.50%
Withdrawal Rate: Decrease by 20%	(38,78,308)	(49,08,564)	(55,07,194)	0.00%	0.60%	10.60%
Mortality Rate: Increase by 20%	(38,80,186)	(48,77,695)	(49,76,194)	0.00%	0.00%	0.00%
Mortality Rate: Decrease by 20%	(38,77,817)	(48,77,821)	(49,80,613)	0.00%	0.00%	0.00%
Leaves Consumption Rate: Increase by 10%	(31,95,827)	(38,96,738)	(36,72,917)	-17.60%	-20.10%	-26.20%
Leaves Consumption Rate: Decrease by 10%	(45,14,345)	(57,78,310)	(61,65,359)	16.40%	18.50%	23.80%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

NOTE NO. 35 SEGMENT REVENUE

Segment Revenue	2018-19 ₹	2017-18 ₹
a) Exports	4,09,15,08,010	2,81,37,76,600
b) Local	15,00,93,958	13,28,46,164
Total	**4,24,16,01,968**	**2,94,66,22,764**

Assets		
-In India	2,03,28,09,261	1,61,42,97,187
-Outside India	4,08,70,68,959	3,95,85,70,866
Total	**6,11,98,78,220**	**5,57,28,68,053**
Liabilities		
-In India	81,16,46,724	75,14,23,998
-Outside India	60,24,88,179	53,17,33,279
Total	**1,41,41,34,903**	**1,28,31,57,277**

Customers amounting to 10% or more of entity's revenue are NIL

All Non-Current Assets of the Company are located in India

NOTE NO. 36 EARNING PER SHARE

Earning per share is calculated by dividing the profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	2018-19 ₹	2017-18 ₹
Earning Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	43,61,75,007	12,42,73,271
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
b) For Diluted Earning Per Share of Re. 1/- each		
- No. of Share for Basic EPS as per 2 a	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding	-	-
- No. of share for diluted Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
3) Earning Per Share (Weighted Average)		
Basic	1.07	0.30
Diluted	1.07	0.30

NOTE NO. 37 RELATED PARTY DISCLOSURES

(a) List of Related Parties

i. Subsidiary

Marksans Pharma (UK) Limited

Marksans Pharma Inc.

Nova Pharmaceuticals Australasia Pty Ltd

ii. Step down Subsidiaries

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Marksans Realty LLC

iii. Key Management Personnel (KMP)

Mr. Mark Saldanha - Managing Director

Mrs. Sandra Saldanha - Whole-time Director

Dr. Vinay Gopal Nayak (upto 31.12.2018) - Whole-time Director

Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019) – Whole-time Director

Mr. Jitendra Sharma - Chief Financial Officer

Mr. Harshavardhan Panigrahi - Company Secretary

iv. Relatives of KMP

Mrs. Sandra Saldanha is spouse of Mr. Mark Saldanha (Managing Director)

NOTE NO. 37 RELATED PARTY DISCLOSURES *(Contd.)*

Mr. Mark Saldanha is spouse of Mrs. Sandra Saldanha (Whole-time Director)

v. Companies in which KMP is interested/having control

Marksans Pharma (UK) Limited

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

Marksans Pharma Inc.

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Nova Pharmaceuticals Australasia Pty Ltd

Note: Mr. Mark Saldanha/ Mrs. Sandra Saldanha/ Mr. Jitendra Sharma is/are Director in the above subsidiary(ies) as representative of Marksans Pharma Limited and have no personal interest as director of those subsidiary(ies). They do not own any shares in the subsidiary(ies) in which they are Director.

(b) List of related parties with whom transactions have taken place during the year are as follows:

(i) Key Management Personnel / Directors - Remuneration:

Particulars	2018-19 ₹	2017-18 ₹
Mr. Mark Saldanha	1,04,32,320	1,04,32,320
Mrs. Sandra Saldanha	70,29,564	70,29,564
Dr. Vinay Gopal Nayak (upto 31.12.2018)	1,53,77,820	2,03,88,760
Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	26,39,874	-
Mr. Jitendra Sharma	1,10,26,456	87,87,032
Mr. Harshavardhan Panigrahi	21,29,358	20,07,733
Total	**4,86,35,392**	**4,86,45,409**

(ii) Rent paid to Related Party

Mr. Mark Saldanha	**1,02,93,336**	**1,02,93,336**

(c) Related parties where control exists and transactions have taken place during the year

(i) Transactions with related parties during the year

Subsidiary Company		
Sale of Finished products	3,53,38,09,964	2,74,17,95,129
a. Nova Pharmaceuticals Australasia Pty Ltd	40,55,75,782	18,28,66,866
b. Bell, Sons and Co. (Druggists) Limited	40,60,14,410	15,22,15,524
c. Relonchem Limited	1,13,02,88,601	1,21,84,23,288
d. Time-Cap Laboratories Inc.	1,59,19,31,171	1,18,82,89,451
Dividend received from Nova Pharmaceuticals Australasia Pty Ltd	3,61,82,557	-

(ii) Balances outstanding at the end of the year

Receivable from subsidiary	**1,58,08,82,638**	**1,45,23,84,544**
a. Nova Pharmaceuticals Australasia Pty Ltd	7,01,00,197	7,13,65,659

b. Bell, Sons and Co. (Druggists) Limited	22,14,35,584	6,09,23,320
c. Relonchem Limited	36,85,77,575	49,40,77,046
d. Time-Cap Laboratories Inc.	92,07,69,282	82,60,18,519

NOTE NO. 38 FAIR VALUE MEASUREMENTS (STANDALONE)

Financial instruments by category

Particulars	31st March, 2019			31st March, 2018		
	FVPL ₹	FVOCI ₹	Amortised cost ₹	FVPL ₹	FVOCI ₹	Amortised cost ₹
Financial assets						
Investments	-	-	2,36,07,39,875	-	-	2,36,07,39,875
Other Non-current financial assets	1,29,19,961	-	-	81,66,034	-	
Trade receivables, net	-	-	1,77,82,97,309	-	-	1,68,87,21,901
Cash and cash equivalents	-	-	1,80,00,481	-	-	71,35,299
Other current financial assets	9,51,630	-	14,77,61,118	4,98,735	-	14,64,96,685
Total	**1,38,71,591**	**-**	**4,30,47,98,783**	**86,64,769**	**-**	**4,20,30,93,760**
Financial Liabilities						
Other Non-current financial liabilities	-	-	10,00,00,000	-	-	10,00,00,000
Short term borrowings	-	-	77,32,69,848	-	-	66,30,87,577
Trade payables	-	-	37,22,55,729	-	-	33,68,03,839
Other current financial liabilities	-	-	7,33,68,376	-	-	8,78,77,535
Total	**-**	**-**	**1,31,88,93,953**	**-**	**-**	**1,18,77,68,951**

Notes

i) Investment in Subsidiaries are carried at cost.

ii) Trade receivables comprise amounts receivable from the sale of goods and services.

iii) The management considers that the carrying amount of trade and other receivables approximates their fair value.

iv) Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

v) Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates their fair value.

Fair value hierarchy :

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

All amortised cost and fair value through profit & loss financial assets and liabilities are classified as level 3 inputs, except, Foreign Exchange Forward Contract of ₹9,51,630 (Previous Year ₹4,98,735) are classified as Level 1 input as market price for currency is readily available.

NOTE NO. 39 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods are summarised as follows:

The Company's goal in capital management is to maintain a capital-to-overall financing structure ratio as low as possible.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Total equity	4,70,57,43,317	4,28,97,10,776
Less: Cash & cash equivalents	1,80,00,481	71,35,299
Capital	**4,68,77,42,836**	**4,28,25,75,477**
Total equity	4,70,57,43,317	4,28,97,10,776
Add Borrowings	77,32,69,848	66,30,87,577
Add Other Financial Liabilities	10,00,00,000	10,00,00,000
Overall financing	**5,57,90,13,165**	**5,05,27,98,353**
Capital to overall financing ratio	**0.84**	**0.85**

Dividend		
(i) Equity Shares		
Final dividend paid during the year ended including Dividend Distribution Tax	**2,04,65,685**	**2,46,32,089**

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is coordinated , in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and deposits are invested with banks.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

(i) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Cash & cash equivalents	1,80,00,481	71,35,299
Trade receivables	1,77,82,97,309	1,68,87,21,901
Short Term financial Assets	14,87,12,748	14,69,95,420
Long Term Financial Assets	2,37,36,59,836	2,36,89,05,909
Total	**4,31,86,70,374**	**4,21,17,58,529**

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹180 lakhs at 31st March, 2019 (31st March, 2018: ₹71.35 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Expected Credit Loss on Trade Receivables has been provided as NIL, since major receivables are from Subsidiaries and step-down subsidiaries which are considered good.

Given below is ageing of trade receivable spread by period of six months:

Outstanding for more than 6 months	5,01,83,185	15,81,58,915
Others	1,72,81,14,124	1,53,05,62,986
Total	**1,77,82,97,309**	**1,68,87,21,901**

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

In respect of trade and other receivables, the Company's credit risk exposure towards any single counterparty or any Companies of counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Investment Risk

The Company has an exposure to credit risk by generally investing in subsidiaries. The Company does not expect non performance by any of subsidiaries.

(ii) Liquidity risk analysis

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31st March, 2019, the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year ₹	1 to 5 years ₹	More than 5 years ₹
Trade payable	**37,22,55,729**	-	-
Non Current Financial liabilities	-	10,00,00,000	-
Short term borrowings	77,32,69,848	-	-
Other Current Financial Liabilities	7,33,68,376	-	-
Total	**1,21,88,93,953**	**10,00,00,000**	-

(iii) Market Risk Analysis

(a) Foreign Currency sensitivity

Financial instruments by category

Foreign currency denominated financial assets and liabilities, translated into USD at the closing rate are as follows:

Particulars	31st March, 2019			31st March, 2018		
	USD	RATE	INR	USD	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	1,66,46,777	68.35	1,13,78,07,233	1,61,47,417	64.19	1,03,65,25,492
FINANCIAL ASSETS	**1,66,46,777**	**68.35**	**1,13,78,07,233**	**1,61,47,417**	**64.19**	**1,03,65,25,492**
Financial liabilities						
Borrowings (PCFC)	57,29,241	70.00	40,10,46,871	36,74,603	65.80	24,17,88,889
Trade payables / other	4,51,894	70.00	3,16,32,568	33,34,941	65.80	21,94,39,134
FINANCIAL LIABILITIES	**61,81,135**	**70.00**	**43,26,79,439**	**70,09,544**	**65.80**	**46,12,28,023**
Short term exposure	**1,04,65,642**	**67.38**	**70,51,27,794**	**91,37,873**	**62.96**	**57,52,97,469**

US Dollar conversion rate was ₹62.96 at the beginning of the year and scaled to a high of ₹70.00 and to low of ₹67.38. The closing rate is ₹67.38. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2019		31st March, 2018	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	7,05,12,779	(7,05,12,779)	5,75,29,747	(5,75,29,747)

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate are as follows:

Particulars	31st March, 2019			31st March, 2018		
	GBP	RATE	INR	GBP	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	66,51,887	90.00	59,86,69,807	63,40,621	89.61	56,81,77,588
FINANCIAL ASSETS	**66,51,887**	**90.00**	**59,86,69,807**	**63,40,621**	**89.61**	**56,81,77,588**
Financial liabilities						
Borrowings (PCFC)	21,59,071	93.30	20,14,41,308	31,41,326	92.30	28,99,44,390
Trade payables / other	10,946	93.30	10,21,222	859	92.30	79,292
FINANCIAL LIABILITIES	**21,70,016**	**93.30**	**20,24,62,530**	**31,42,185**	**92.30**	**29,00,23,682**
Short term exposure	**44,81,870**	**88.40**	**39,62,07,277**	**31,98,436**	**86.97**	**27,81,53,906**

GBP conversion rate was ₹86.97 at the beginning of the year and scaled to a high of ₹93.30 and to low of ₹88.40. The closing rate is ₹88.40. Considering the volatility in direction of strengthening GBP upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2019		31st March, 2018	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	3,96,20,728	(3,96,20,728)	2,78,15,391	(2,78,15,391)

Foreign currency denominated financial assets and liabilities, translated into EUR at the closing rate are as follows:

Particulars	31st March, 2019			31st March, 2018		
	EUR	RATE	INR	EUR	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	86,324	77.05	66,51,232	86,324	79.05	68,23,879
Other Current Financial Asset	**14,130**	**80.00**	**11,30,400**	-		-
FINANCIAL ASSETS	1,00,454	77.46	77,81,632	86,324	79.05	68,23,879
Financial liabilities						
Trade payables / other	-		-	47,747	81.75	39,03,338
FINANCIAL LIABILITIES	**-**		**-**	**47,747**	**81.75**	**39,03,338**
Short term exposure	**1,00,454**	**77.46**	**77,81,632**	**38,577**	**75.71**	**29,20,541**

EUR conversion rate was ₹75.71 at the beginning of the year and scaled to a high of ₹80.00 and to low of ₹77.05. The closing rate is ₹77.46. Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2019		31st March, 2018	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	7,78,163	(7,78,163)	2,92,054	(2,92,054)

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

(b) Interest rate sensitivity

The Company policy is to minimise interest rate cash flow risk exposures on long-term borrowing. The Company has taken several short term borrowings on fixed rate of interest. Since, there is no interest rate cash outflow associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The Company has outstanding working capital borrowings which comprises of packing credit in foreign currency of USD 5.73 million (2018 - USD 3.67 million) and GBP 2.16 million (2018 - GBP 3.14 million). In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Net results for the year	60,24,88,179	53,17,33,279

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 100 basis points then such decrease shall have the following impact on:

Net results for the year	(60,24,88,179)	(53,17,33,279)

* PCFC - Packing Credit in Foreign Currency.

NOTE NO.41 - DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY

a) **Exposure in foreign currency - Hedged**

The Company enters into forward exchange contracts to hegde against its foreign exposures in relation to the underlying transactions. The Company does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	No. of contracts	Buy Amount In Foreign Currency	INR equivalent
Forward Contract to buy USD - As at 31-03-2019	2	15,00,000	10,55,06,250
Forward Contract to buy USD - As at 31-03-2018	13	1,20,00,000	80,68,11,250
Forward Contract to buy GBP - As at 31-03-2018	12	35,00,000	32,20,48,790

b) **Exposure in foreign currency - Unhedged**

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)	
	As at 31st March, 2019	As at 31st March 2018	As at 31st March, 2019	As at 31st March 2018
USD	46,81,135	-	1,66,46,777	1,61,47,417
GBP	21,70,016	-	66,51,887	63,40,621
EUR	(14,130)	47,747	86,324	86,324

Currency	Payable (In Indian Currency)		Receivable (In Indian Currency)	
	As at 31st March, 2019	As at 31st March 2018	As at 31st March, 2019	As at 31st March 2018
USD	32,76,79,440	-	1,13,78,07,233	1,03,65,25,492
GBP	20,24,62,529	-	59,86,69,807	56,81,77,588
EUR	(11,30,400)	39,03,338	66,51,232	68,23,879

NOTE NO. 42(A) - DISCLOSURE AS PER REGULATION 53(F) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the Party	Relationship	Amount outstanding as at 31.03.2019 ₹	Amount outstanding as at 31.03.2018 ₹	Maximum balance outstanding during the year 31.03.2019 ₹	Maximum balance outstanding during the year 31.03.2018 ₹
Marksans Pharma (UK) Ltd	Wholly owned Subsidiary	14,54,46,446	14,54,46,446	14,54,46,446	14,54,46,446

NOTE NO.42(B) - DISCLOSURE AS PER SECTION 186 OF COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 4.1

(ii) Details of loan given by the Company are as follows:

Name of the Company	Relationship	Amount as at 31.03.2019 ₹	Amount as at 31.03.2018 ₹
Marksans Pharma UK Ltd	Wholly owned subsidiary	14,54,46,446	14,54,46,446

(iii) Details of guarantees given by the Company are as follows:

Name of Company	Relationship	Guarantee in favour of	Amount as at 31.03.2019 ₹	Amount as at 31.03.2018 ₹
Bell, Sons & Co. (Druggists) Limited	Step down Subsidiary	Bank of Baroda (London)	27,00,00,000	27,69,00,000
Relonchem Limited	Step down Subsidiary	Bank of Baroda (London)	13,95,00,000	14,30,65,000

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2019

Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	56,01,12,230	16,65,24,473
Adjustments to profit before tax and prior period		
Items:		
-Depreciation and amortisation expenses	8,68,71,682	12,25,06,851
-(Profit)/Loss on sale of Property, Plant and Equipment	4,41,606	-
-Finance Cost	6,56,21,921	7,67,16,023
-Dividend Income	(3,61,82,557)	-
-Interest Income	(2,54,579)	(4,31,897)
-Unwinding discount on Security Deposits i.e. Interest Income	(3,14,427)	(2,92,495)
-Remeasurement of the net defined benefit plans	4,56,009	19,50,638
-Change in Fair value of Forward contract	(9,51,630)	(4,98,735)
Operating Profit before working capital changes	**67,58,00,255**	**36,64,74,858**
Movements in working capital :		
(Increase)/Decrease in Inventories	(28,07,08,919)	(13,04,99,095)
(Increase)/Decrease in Trade receivables	(8,95,75,408)	(14,07,37,092)
(Increase)/Decrease in Other financial assets	(64,71,255)	(14,83,83,472)
(Increase)/Decrease in Other assets	(1,22,23,297)	23,97,26,265
Increase/(Decrease) in Trade Payable and provisions	3,98,61,003	1,66,02,186
Income Tax Paid	(12,86,26,502)	(4,68,41,451)
Net cash used in operating activities	**19,80,55,877**	**15,63,42,199**
Cash Flow provided by (used in) Investing Activities:		
(Purchase)/Sale of Property, Plant and Equipment	(23,45,44,877)	(5,86,19,934)
Investment	-	(1,78,07,625)
Dividend Income	3,61,82,557	-
Interest Income	2,54,579	4,31,897
Increase in Margin Money	(51,67,529)	(3,00,000)
Unwinding discount on Security Deposits i.e. Interest Income	3,14,427	2,92,495
Change in Fair value of Forward contract	9,51,630	4,98,735
Net Cash Flow provided by (used in) Investing Activities	**(20,20,09,213)**	**(7,55,04,432)**
Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	-	(1,00,00,000)
Increase in Share Premium	-	-

Cash Flow Statement for the year ended 31st March, 2019

Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
Increase in General Reserve	-	-
Dividend and Dividend Distribution Tax on it	(2,04,65,685)	(2,46,32,089)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	9,56,73,112	1,15,52,945
Finance Cost	(6,56,21,921)	(7,67,16,023)
Net Cash Flow provided by (used in) Financing Activities	**95,85,506**	**(9,97,95,167)**
Net Increase /(Decrease) in Cash and Bank Balances	**56,32,170**	**(1,89,57,400)**
Cash & Bank Balances as at 31.03.2018	**55,33,117**	**2,44,90,517**
Cash & Bank Balances as at 31.03.2019	**1,11,65,287**	**55,33,117**
	56,32,170	**(189,57,400)**

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7,' Statement of Cash Flows'.
2. The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.
3. The Break-up of Cash Balance is as follows

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
a. Balances with banks		
In current Account	1,08,99,377	52,47,287
b. Cash in hand	2,65,910	2,85,830
TOTAL	**1,11,65,287**	**55,33,117**

As per our report of even date.

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Atul Gala
Partner
Membership No.: 048650

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

Place : Mumbai
Date : 29th May, 2019

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Independent Auditor's Report

To the Members of
MARKSANS PHARMA LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Marksans Pharma Limited ("the Company") and its subsidiaries (including step down subsidiaries) (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, its consolidated profit, its consolidated other comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Recoverability of carrying value of Intangible assets:** The Group has ₹705.29 million as total carrying value of intangible assets as at 31st March, 2019. An intangible asset is for the purpose of furtherance of business development. We have focused on intangibles assets because of the amount involved and the required management judgment in respect of expected future economic benefits of the intangibles assets.	**Our audit procedures over intangible assets:** • Obtained an understanding of use and future economic benefits from the intangible assets. • Assessing the impact due to recent industrial developments influencing current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions. • Reconciled on a sample basis the costs for the period to the underlying invoices and supporting documents. • Evaluation of the robustness of valuation methodology.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report, Report on Corporate Governance, but does not include the consolidated financial statements and our report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities, and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls

system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company included in the Consolidated Financial Statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a) We did not audit the financial statements of the three subsidiaries (and step down subsidiaries), whose financial statements/information reflect total assets of INR 6,000.46 million as at 31st March, 2019, total revenue of INR 9,295.99 million and net cash flows of INR 74.25 million for the year ended that date, as considered in the consolidated financial statements. These Consolidated financial statements of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries,is based solely on the reports of the other auditors.

b) Subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its respective countries and which have been reviewed and audited by the other auditor as applicable, under generally accepted auditing standards applicable in its respective countries. The Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in those countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the Consolidated Financial Statement above is not modified in respect of above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements, including, inter-alia financial statement of the subsidiaries duly audited by the other auditors;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company, for reasons stated therein. Internal control over financial reporting is not applicable to the subsidiaries, which are incorporated outside India.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and accordingly to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.(refer note: 29)

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts, including derivative contracts.

        iii. There has been no requirement for transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date :29th May, 2019

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Marksans Pharma Limited (hereinafter referred to as “Company”) as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the

Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date :29th May, 2019

Consolidated Balance Sheet as at 31st March, 2019

Particulars	Note No.	31st March, 2019 ₹	31st March, 2018 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,98,08,20,855	1,86,36,85,031
Intangible assets	3	71,64,41,733	93,00,89,849
Financial assets			
Other non- current financial assets	4	1,29,19,961	81,66,034
Deferred tax assets (net)	5	1,24,81,853	1,45,44,330
Total non-current assets		**2,72,26,64,402**	**2,81,64,85,244**
Current assets			
Inventories	6	2,93,24,60,805	2,18,12,41,268
Financial Assets			
(i) Trade receivables	7	1,76,59,69,384	1,76,90,55,770
(ii) Cash and cash equivalents	8	33,53,84,697	39,87,68,569
(iii) Other Financial Assets	9	32,66,304	15,48,974
Other current assets	10	27,73,37,934	15,47,52,522
Total current assets		**5,31,44,19,124**	**4,50,53,67,103**
TOTAL ASSETS		**8,03,70,83,526**	**7,32,18,52,347**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	40,93,13,698	40,93,13,698
Other Equity			
Reserves and Surplus	12	5,01,55,09,488	4,29,93,32,363
Equity attributable to owners of the Company		5,42,48,23,186	4,70,86,46,061
Non-Controlling interest		10,21,68,392	9,54,94,128
Total equity		**5,52,69,91,578**	**4,80,41,40,189**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities	13	10,00,00,000	10,00,00,000
Deferred tax liabilities (Net)	14	7,02,92,948	6,01,11,379
Other non-current liabilities			
Provisions	15	1,35,57,402	1,08,04,340
Total non current liabilities		**18,38,50,350**	**17,09,15,719**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	99,90,87,272	1,17,41,32,123
(ii) Trade payables	17		
a) MSME		10,60,945	-
b) Other		1,05,96,31,072	77,82,82,714
(iii) Other financial liabilities	18	20,90,42,237	10,07,73,583
Other current liabilities			
Provisions	19	83,76,974	20,31,73,206
Current tax liabilities (Net)	20	4,90,43,098	9,04,34,813
Total current liabilities		**2,32,62,41,598**	**2,34,67,96,439**
Total liabilities		**2,51,00,91,948**	**2,51,77,12,158**
TOTAL EQUITY AND LIABILITIES		**8,03,70,83,526**	**7,32,18,52,347**

See significant accounting policies and accompanying notes to the financial statements.
As per our report of even date.

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	2018-19 ₹	2017-18 ₹
INCOME			
Revenue from operations	21	10,00,06,92,254	9,12,69,20,323
Other income	22	4,62,10,042	8,47,40,182
Total Income		**10,04,69,02,296**	**9,21,16,60,505**
EXPENSES			
Cost of materials consumed	23	4,12,05,69,315	3,48,66,29,013
Purchases of Stock-in-Trade		1,05,84,82,043	1,53,91,75,483
Changes in inventories of finished goods, work-in-process and stock-in-trade	24	(19,90,15,526)	20,54,64,767
Employee benefits expense	25	1,59,06,63,561	1,47,74,80,568
Finance cost	26	9,65,53,918	10,22,02,907
Depreciation and amortization expense	27	22,80,39,029	26,83,82,687
Other expenses	28	2,10,85,44,102	1,63,43,44,176
Total expenses		**9,00,38,36,442**	**8,71,36,79,601**
Profit before tax		**1,04,30,65,854**	**49,79,80,904**
Tax expense:			
(1) Current Year		23,58,50,253	13,39,16,139
(2) Earlier year		(72,04,223)	37,281
(3) Deferred tax		1,00,48,779	60,17,921
Total Tax Expenses		**23,86,94,809**	**13,99,71,341**
Profit for the Year		**80,43,71,045**	**35,80,09,563**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Statement of Profit and Loss			
-Remeasurement of the net defined benefit plans		4,56,009	19,50,638
-Income tax relating to above		(1,32,790)	(7,25,680)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of a foreign operation		(43,08,270)	6,83,28,876
Other Comprehensive Income/(Loss) for the year		**(39,85,051)**	**6,95,53,834**
Total Comprehensive income for the year		**80,03,85,994**	**42,75,63,397**
Non-controlling interest		3,97,67,483	2,86,09,929
Owners of the Company		76,06,18,511	39,89,53,468
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		1.87	0.80
(2) Diluted (in ₹)		1.87	0.80

See significant accounting policies and accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2019

A Share Capital

Particulars	Equity Shares of ₹1/- each		7% Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at 01.04.2018	40,93,13,698	40,93,13,698	10,00,000	10,00,00,000
Shares Issued during the Period	-	-	-	-
Shares redeemed during the Period	-	-	-	-
Shares outstanding at 31.03.2019	**40,93,13,698**	**40,93,13,698**	**10,00,000**	**10,00,00,000**

Shares outstanding at 01.04.2017	40,93,13,698	40,93,13,698	11,00,000	11,00,00,000
Shares Issued during the Period	-	-	-	-
Shares redeemed during the Period	-	-	1,00,000	1,00,00,000
Shares outstanding at 31.03.2018	**40,93,13,698**	**40,93,13,698**	**10,00,000**	**10,00,00,000**

B Other Equity

Particulars	RESERVES AND SURPLUS					Other Comprehensive income	Total attributable to owners of parent company	Non controlling interest	Total
	Capital Reserves	Capital Redemption Reserve	Securities Premium Account	General Reserve	Surplus	Currency Translation reserve			
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Balance as at 1st April, 2018	1,22,500	3,50,00,000	1,75,13,17,328	3,13,73,65,569	(69,07,01,838)	6,62,28,804	4,29,93,32,363	9,54,94,128	4,39,48,26,491
Profit for the Period					76,46,03,562	-	76,46,03,562	3,97,67,483	80,43,71,045
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					3,23,219		3,23,219		3,23,219
Total comprehensive income for the year	-	-	-	-	**76,49,26,781**	-	**76,49,26,781**	**3,97,67,483**	**80,46,94,264**
Exchange difference on translation of foreign opration						(43,08,270)	(43,08,270)	(90,29,916)	(1,33,38,186)
On Redemption of Preference Share		-					-		-
Dividend for the year					(4,44,41,386)		(4,44,41,386)	(2,40,63,303)	(6,85,04,689)
Balance as at 31st March, 2019	**1,22,500**	**3,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**2,97,83,557**	**6,19,20,534**	**5,01,55,09,488**	**10,21,68,392**	**5,11,76,77,880**

Balance as at 1st April, 2017	1,22,500	2,50,00,000	1,75,13,17,328	3,13,73,65,569	(98,66,94,341)	(21,00,072)	3,92,50,10,984	6,24,73,733	3,98,74,84,717
Profit for the Period					32,93,99,634	-	32,93,99,634	2,86,09,929	35,80,09,563
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					12,24,958		12,24,958		12,24,958
Total comprehensive income for the year	-	-	-	-	**33,06,24,592**	-	**33,06,24,592**	**2,86,09,929**	**35,92,34,520**
Exchange difference on transalation of foreign opration						6,83,28,876	6,83,28,876	44,10,466	7,27,39,342
On Redemption of Preference Share		1,00,00,000			(1,00,00,000)		-		-
Dividend for the year					(2,46,32,089)		(2,46,32,089)		(2,46,32,089)
Balance as at 31st March, 2018	**1,22,500**	**3,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(69,07,01,838)**	**6,62,28,804**	**4,29,93,32,363**	**9,54,94,128**	**4,39,48,26,491**

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

1. COMPANY INFORMATION

Marksans Pharma Limited ("Marksans" or "the Company") and its subsidiaries (together referred to as 'the Group') are primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulation. The Group is headquarterd in Mumbai, India and operates across many countries. The Company's equity shares are listed for trading on National Stock Exchange of India Limited and BSE Limited.

The manufacturing facilities of the Group are located at Goa (Verna) in India, Southport, London in UK and Farmingdale, New York in USA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES USED IN THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31st March, 2017, the Group prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended and other provisions of the Act.

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

2.1. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in note 2.18 & 2.18.1.

These consolidated financial statements are prepared under the historical cost convention, except certain items which have been measured at their fair values, at the reporting date through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.2. Basis of Consolidation

These consolidated financial statements include financial statements of the Company and all of its subsidiaries drawn up to the dates specified below. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Company.

2.2.1 Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of the Entity	Year End Date	Country of Incorporation	Ownership at 31st March, 2019 held by	% ownership held either directly or through subsidiaries as at 31st March, 2019	% ownership held either directly or through subsidiaries as at 31st March, 2018
1.	Marksans Pharma Inc.	31st March, 2019	USA	Marksans Pharma Limited	100%	100%
	a) Time-Cap Laboratories Inc.	31st March, 2019	USA	Marksans Pharma Inc.	100%	100%
	- Custom Coating Inc.	31st March, 2019	USA	Time-Cap Laboratories Inc.	100%	100%
	- Marksans Realty LLC	31st March, 2019	USA	Time-Cap Laboratories Inc.	100%	100%
2.	Nova Pharmaceuticals Australasia Pty Ltd	31st March, 2019	Australia	Marksans Pharma Limited	60%	60%
3.	Marksans Pharma (UK) Limited	31st March, 2019	UK	Marksans Pharma Limited	100%	100%
	a) Relonchem Limited	31st March, 2019	UK	Marksans Pharma (UK) Limited	100%	100%
	b) Marksans Holdings Limited	31st March, 2019	UK	Marksans Pharma (UK) Limited	100%	100%
	- Bell, Sons and Co. (Druggists) Limited	31st March, 2019	UK	Marksans Holdings Limited	100%	100%
4.	Marksans Pharma GmbH	31st March, 2019	Germany	Marksans Pharma Limited	100%	100%

2.3. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair values of assets transferred;
- Liability incurred to the former owner of the business acquired;
- Equity interests issued by the group; and
- Fair value of any assets or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity; and
- Acquisition date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in the statement of profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss or other comprehensive income, as appropriate.

2.4. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions.Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated income statement in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of Profit and Loss.

2.5. Revenue recognition

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing management involvement with the goods, the amount of revenue can be measured reliably, recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, value added tax and applicable trade discounts and allowances, but inclusive of excise duty. Revenue includes shipping and handling costs billed to the customer.

Revenue from contract research is recognized in the statement of profit and loss when right to receive a non- refundable payment from out-licensing partner is established.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured.Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/ other customers and estimated inventory holding by the wholesaler. Such provisions are presented as a reduction from revenues.

Services

Revenue from services rendered is recognized in the statement of profit and loss over the period the underlying services are performed.

Export entitlements

Export entitlements from government authorities are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Other income

Other income consists of interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest rate method on time proportion basis. Dividend income is recognized in the statement of profit and loss on the date that the Group's right to receive payment is established.

2.6. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within "other income/expense in the statement of profit and loss".

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The estimated useful lives are as follows:

Factory and other buildings 30 –55 years

Plant and machinery 8 – 21 years

Furniture, fixtures and office equipment 4 – 21 years

Vehicles 5 –6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The cost of property, plant and equipment not put to use/ready for use before such date are disclosed under capital work in progress.

2.7. Borrowing Costs

Borrowing costs primarily comprise interest on the Group's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognized using the effective interest rate method.

2.8. Intangible Assets

Goodwill

Goodwill arises upon the acquisition of subsidiaries. Goodwill represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss as incurred.

Based on the management estimate of the useful lives indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

Intangible assets are de-recognized either on their disposal or where no future economic benefits are expected from their use or disposal. Losses arising on such de-recognition are recorded in the statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognized immediately in the statement of profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

The estimated useful lives of Intangible assets are 5 - 10 years.

2.9. Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognized in the statement of profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

2.10 Investment and financial assets classification

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows represents solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other Comprehensive Income(OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the statement of profit and loss and presented net in the statement of profit and loss within other income/ (expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/(expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.11 Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognized at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognized as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss. The gain / loss is recognized in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognized initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments.

2.12 Inventories

Inventories of finished goods, consumable store and spares are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is ascertained on a specific identification method. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

2.13 Accounting for Income Taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized in Other Comprehensive Income, in which case it is recognized in Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax is not recognized for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.14 Leasing Activities

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Land acquired on long term leases

The Company has capitalised the land acquired on long term lease. Such leases are acquired on payment of an upfront amount and do not carry any other minimum lease payments/other rentals over the lease term. The asset is initially recognized at the value of the upfront premium/charges paid to acquire the lease.

Operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

2.15 Equity

Share capital is determined using the nominal value of shares that are issued. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from Share premium, net of any related income tax benefits.

Foreign currency translation differences are included in the currency translation reserve.

Retained earnings include all current and prior period results, as disclosed in the statement of profit and loss.

2.16 Employee Benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds, approved superannuation schemes and other social securities, which are defined contribution plans, are recognized as an employee benefit expense in the statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of an approved gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each material plan by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

The benefit is discounted to determine the present value of the defined benefit obligation and the current service cost. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognized in the balance sheet.

Defined benefit costs are recognised as follows:

- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Service costs comprise of current service cost, past service cost, as well as gains and losses on curtailment and settlements. The benefit attributable to current and past periods of service is determined using the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the benefit is attributed on a straight-line basis. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. A gain or loss on the settlement of a defined benefit plan is recognized when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period, taking account of any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.

Remeasurement comprises of actuarial gains and losses, the return on plan assets (excluding interest),and the effect of changes to the asset ceiling (if applicable). Remeasurement recognized in other comprehensive income is not reclassified to the statement of profit and loss.

Compensated leave of absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Group's policy and receive cash in lieu thereof. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated balance sheet.

Any amount that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset upto the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized.

2.18 Critical accounting estimates and significant judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Group's accounting policies, the following judgments have been made apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial information. Judgements are based on the information available at the date of balance sheet.

Leases

The Group has evaluated each lease agreement for its classification between finance lease and operating lease. The Group has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Group has also used Appendix C to Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

Deferred Tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognized as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Provision for chargeback

Provisions for chargeback are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

2.18.1 Estimation Uncertainty

The preparation of these consolidated financial statements is in conformity with IND AS and requires the application of judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Estimates of life of various tangible and intangible assets, and assumptions used in the determination of employee-related obligations and fair valuation of financial and equity instrument, impairment of tangible and intangible assets represent certain of the significant judgements and estimates made by management.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The useful lives are specified in note 2.6 & 2.8.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 2.1). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses it's best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.Refer note 2.9 for Impairment testing assumptions for Intangibles and Goodwill.

The consolidated financial statements have been prepared using the measurement basis specified by IND AS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE NO.3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land ₹	Buildings ₹	Plant and Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Office equipment ₹	Computer and Software ₹	Total ₹	Capital Work-in-progress ₹
Balance as at 1st April, 2018	1,38,07,793	1,21,48,77,946	1,44,56,71,710	5,67,98,687	7,84,51,139	2,74,33,497	5,88,47,402	2,89,58,88,174	-
Acquisitions	-	1,29,78,071	22,68,48,974	1,21,56,448	-	20,02,275	27,12,050	25,66,97,818	-
Disposals/Transfers	-	-	2,29,23,082	-	-	-	-	2,29,23,082	-
Balance as at 31st March, 2019	**1,38,07,793**	**1,22,78,56,017**	**1,64,95,97,602**	**6,89,55,135**	**7,84,51,139**	**2,94,35,772**	**6,15,59,452**	**3,12,96,62,910**	**-**
Accumulated Depreciation									
Balance as at 1st April, 2018	-	16,38,60,734	76,01,39,751	1,89,95,780	3,04,58,392	1,26,01,615	4,61,46,871	1,03,22,03,143	-
Depreciation for the year	-	2,68,59,945	8,79,37,127	54,34,388	90,83,854	35,04,589	61,81,484	13,90,01,387	-
Disposals	-	-	2,23,62,475	-	-	-	-	2,23,62,475	-
Balance as at 31st March, 2019	**-**	**19,07,20,679**	**82,57,14,403**	**2,44,30,168**	**3,95,42,246**	**1,61,06,204**	**5,23,28,355**	**1,14,88,42,055**	**-**
Carrying Value									
Balance as at 31st March, 2019	1,38,07,793	1,03,71,35,338	82,38,83,199	4,45,24,967	3,89,08,893	1,33,29,568	92,31,097	1,98,08,20,855	-
Balance as at 1st April, 2018	**1,38,07,793**	**1,05,10,17,212**	**68,55,31,959**	**3,78,02,907**	**4,79,92,747**	**1,48,31,882**	**1,27,00,531**	**1,86,36,85,031**	**-**

Particulars	Land ₹	Buildings ₹	Plant and Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Office equipment ₹	Computer and Software ₹	Total ₹	Capital Work-in-progress ₹
Balance as at 1st April, 2017	1,38,07,793	96,65,97,381	1,35,60,23,999	5,09,83,470	6,83,46,779	2,39,40,260	5,49,43,374	2,53,46,43,056	35,98,456
Acquisitions	-	24,82,80,565	9,55,37,836	58,15,217	1,01,04,360	34,93,237	39,04,028	36,71,35,243	-
Disposals/Transfers	-	-	58,90,125	-	-	-	-	58,90,125	35,98,456
Balance as at 31st March, 2018	**1,38,07,793**	**1,21,48,77,946**	**1,44,56,71,710**	**5,67,98,687**	**7,84,51,139**	**2,74,33,497**	**5,88,47,402**	**2,89,58,88,174**	**-**
Accumulated Depreciation									
Balance as at 1st April, 2017	-	13,95,47,070	66,65,07,620	1,43,49,817	2,15,64,880	94,92,526	3,81,55,647	88,96,17,560	-
Depreciation for the year	-	2,43,13,664	9,73,89,552	46,45,963	88,93,512	31,09,089	79,91,224	14,63,43,004	-
Disposals	-	-	37,57,421	-	-	-	-	37,57,421	-
Balance as at 31st March, 2018	**-**	**16,38,60,734**	**76,01,39,751**	**1,89,95,780**	**3,04,58,392**	**1,26,01,615**	**4,61,46,871**	**1,03,22,03,143**	**-**
Carrying Value									
Balance as at 31st March, 2018	1,38,07,793	1,05,10,17,212	68,55,31,959	3,78,02,907	4,79,92,747	1,48,31,882	1,27,00,531	1,86,36,85,031	-
Balance as at 1st April, 2017	**1,38,07,793**	**82,70,50,311**	**68,95,16,379**	**3,66,33,653**	**4,67,81,899**	**1,44,47,734**	**1,67,87,727**	**1,64,50,25,496**	**35,98,456**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

INTANGIBLE ASSETS

Particulars	Goodwill ₹	Prescription Product Licences ₹	OTC Product Licences ₹	Internally Generated ANDA, Market Authorisations, Product Licences & Others ₹	Total ₹
Balance as at 1st April, 2018	1,02,09,31,434	39,32,71,133	46,01,331	63,87,81,844	2,05,75,85,742
Other Acquisitions	-	6,46,37,910	11,18,881	8,30,45,175	14,88,01,966
Disposals/Transfers	27,34,12,440	-	-	-	27,34,12,440
Balance as at 31st March, 2019	**74,75,18,994**	**45,79,09,043**	**57,20,212**	**72,18,27,019**	**1,93,29,75,268**
Accumulated Depreciation					
Balance as at 1st April, 2018	40,34,44,401	20,66,25,627	36,24,079	51,38,01,786	1,12,74,95,893
Depreciation charge for the year	2,95,75,415	5,40,01,165	526,109	49,34,953	890,37,642
Disposals	-	-	-	-	-
Balance as at 31st March, 2019	**43,30,19,816**	**26,06,26,792**	**41,50,188**	**51,87,36,739**	**1,21,65,33,535**
Carrying Value					
Balance as at 31st March, 2019	**31,44,99,178**	**19,72,82,251**	**15,70,024**	**20,30,90,280**	**71,64,41,733**
Balance as at 1st April, 2018	**61,74,87,033**	**18,66,45,506**	**9,77,252**	**12,49,80,058**	**93,00,89,849**

Particulars	Goodwill ₹	Prescription Product Licences ₹	OTC Product Licences ₹	Internally Generated ANDA, Market Authorisations, Product Licences & Others ₹	Total ₹
Balance as at 1st April, 2017	1,02,09,31,434	36,57,23,644	48,32,081	63,87,81,844	2,03,02,69,003
Acquisitions	-	2,75,47,489	-	-	2,75,47,489
Disposals/Transfers	-	-	2,30,750	-	2,30,750
Balance as at 31st March, 2018	**1,02,09,31,434**	**39,32,71,133**	**46,01,331**	**63,87,81,844**	**2,05,75,85,742**
Accumulated Depreciation					
Balance as at 1st April, 2017	32,41,02,124	18,45,41,146	32,26,370	49,36,72,081	1,00,55,41,721
Depreciation for the year	7,93,42,277	2,20,84,481	4,83,220	2,01,29,705	12,20,39,683
Disposals	-		85,511	-	85,511
Balance as at 31st March, 2018	**40,34,44,401**	**20,66,25,627**	**36,24,079**	**51,38,01,786**	**1,12,74,95,893**
Carrying Value					
Balance as at 31st March, 2018	**61,74,87,033**	**18,66,45,506**	**9,77,252**	**12,49,80,058**	**93,00,89,849**
Balance as at 1st April, 2017	**69,68,29,310**	**18,11,82,498**	**16,05,711**	**14,51,09,763**	**1,02,47,27,282**

Note No.3.1

Land held on leasehold basis. Building includes those constructed on leasehold land.

Note No.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	GOA	Navi Mumbai	Total
Capital Expenditure (₹)	Nil	8,83,82,615	8,83,82,615

Note No.3.3

Refer Note No.16.1 for mortgage of above Fixed Assets.

NOTE NO. 4 OTHER NON- CURRENT FINANCIAL ASSETS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Unsecured, considered good - Deposit	1,29,19,961	81,66,034
Total	**1,29,19,961**	**81,66,034**

NOTE NO. 5 DEFERRED TAX ASSETS (NET)

Deferred Tax Liabilities : DTL		
Add: Deferred Tax Liabilty of Marksans Pharma UK Ltd.	92,23,920	94,59,642
Total Deferred tax liability	92,23,920	94,59,642
Deferred Tax Assets : DTA		
Dererred Tax Assets of Marksans Pharma Inc.	2,17,05,773	2,40,03,972
Total Deferred tax assets	2,17,05,773	2,40,03,972
Net Deferred tax Assets	**1,24,81,853**	**1,45,44,330**

NOTE NO. 6 INVENTORIES

a. Raw Materials and Packing Materials	90,17,52,475	34,95,48,464
b. Work-in-process	13,47,28,267	15,02,47,226
c. Finished goods	1,23,09,04,449	97,75,95,253
d. Stock-in-trade	66,50,75,614	70,38,50,325
Total	**2,93,24,60,805**	**2,18,12,41,268**

*Refer Note No.16.1 for hypothecation of above inventories.

NOTE NO. 7 TRADE RECEIVABLES

Unsecured, considered good	1,76,59,69,384	1,76,90,55,770
Less:- Allowance for Bad and doubtful debts	-	-
Total	**1,76,59,69,384**	**1,76,90,55,770**

NOTE NO. 8 CASH AND CASH EQUIVALENTS

a. Balances with banks		
In current Account	32,81,39,113	39,67,52,760
In Dividend Accounts	13,67,665	13,02,182
b. Margin Money	54,67,529	3,00,000
c. Cash in hand	4,10,390	4,13,627
Total	**33,53,84,697**	**39,87,68,569**

Note No. 8.1

Dividend accounts represent balance maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividend.The corresponding liability for payment of dividends is included in other current financial liability.

Margin Money represent money given against Bank Guarantees.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE NO. 9 OTHER CURRENT FINANCIAL ASSETS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Unsecured, considered good		
Foreign exchange forward contract	9,51,630	4,98,735
Other Current Assets	23,14,674	10,50,239
Total	**32,66,304**	**15,48,974**

NOTE NO. 10 OTHER CURRENT ASSETS

Unsecured, considered good		
Merchandise Export Scheme Receivable	7,02,27,411	5,69,23,768
Others	20,71,10,523	9,78,28,754
Total	**27,73,37,934**	**15,47,52,522**

NOTE NO. 11 EQUITY SHARE CAPITAL

Particulars	31st March, 2019		31st March, 2018	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable Cumulative Preference Shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000
Total	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up				
Equity Shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

a. **Terms/rights attached to Equity Shares**

The Parent Company has only one class of Equity Shares having a face value of ₹1/- per share. All the Equity Shares rank pari passu in all respect. Each holder of Equity Shares is entitled to one vote per share. The equity share holders are entitled to dividend, if declared by the shareholders in an Annual General Meeting, in proportion to the number of Equity Shares held by the shareholders. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

b. **Terms/rights attached to Preference Shares**

The Parent Company's Issued, Subscribed and Paid-up Prefernece Share Capital is ₹10,00,00,000 (Rupees ten crore) divided into 10,00,000 Preference shares of ₹100/- each. With consent of the sole shareholder,redemption date of these preference shares have been extended upto 27th March,2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Group has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07.02.2015, 150,000 Preference shares at par on 31.03.2017 and 100,000 preference shares at par on 14.03.2018.

NOTE NO. 11 EQUITY SHARE CAPITAL *(Contd.)*

d. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31st March, 2019		31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid				
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid				
Glenmark Pharmaceuticals Limited	10,00,000	100	10,00,000	100

NOTE NO. 12 RESERVES AND SURPLUS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
a. Capital Reserves		
Opening Balance	1,22,500	1,22,500
(+) Current Year Transfer	-	-
Closing Balance	**1,22,500**	**1,22,500**
b. Capital Redemption Reserve		
Opening Balance	3,50,00,000	2,50,00,000
(+) Transferred from Profit and Loss	-	1,00,00,000
Closing Balance	**3,50,00,000**	**3,50,00,000**
c. Securities Premium Account		
Opening Balance	1,75,13,17,328	1,75,13,17,328
(+) Securities premium credited on share issue	-	-
Closing Balance	**1,75,13,17,328**	**1,75,13,17,328**
d. General Reserve		
Opening Balance	3,13,73,65,569	3,13,73,65,569
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**3,13,73,65,569**	**3,13,73,65,569**
e. Currency Translation Reserve		
Opening Balance	6,62,28,804	(21,00,072)
(+) For the period	(1,33,38,186)	7,27,39,342
(-) Non controlling share of Translating Reserve	(90,29,916)	44,10,466
Closing Balance	**6,19,20,534**	**6,62,28,804**
f. Retained Earning		
Opening balance	(69,07,01,838)	(98,66,94,341)
(+) Net Profit/(Net Loss) for the current year	76,46,03,562	32,93,99,634
(-) Transfer to Capital Redemption Reserve	-	(1,00,00,000)
(-) Dividend for the year including Dividend Distribution Tax	(4,44,41,386)	(2,46,32,089)
Other Comprehensive Income/(Loss)		
Items that will not be reclassified to Statement of Profit and Loss		
(+)Remeasurement of the net defined benefit plans Net of Tax	3,23,219	12,24,958
Closing Balance	**2,97,83,557**	**(69,07,01,838)**
Total	**5,01,55,09,488**	**4,29,93,32,363**

NOTE NO. 12 RESERVES AND SURPLUS *(Contd.)*

1. Capital Reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

2. Capital Redemption Reserve

The Parent Company has redeemed 2,50,000 7% Redeemable Cumulative Preference Shares of ₹100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹2,50,00,000.00 has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

3. Securities Premium Account

The Parent Company has on 30th March, 2015, issued and allotted 2,40,06,494 equity shares of ₹1/- each face value to qualified institutional buyers under QIP at a premium of ₹53.67 per equity share. Accordingly, the premium amount of ₹1,28,84,28,533.00 has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹46,28,88,795.00 received by the Company over and above the face value of shares issued on earlier dates.

4. General Reserve

The Parent Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

5. Currency Translation Reserve

Assets and Liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at the date of the Balance Sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at year end due to translation is debited or credited to currency translation reserve account.

6. Retained Earning

Accumulated earnings include all current and prior period profits/(loss) as disclosed in the statement of profit and loss.

NOTE NO. 13 OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
7% Redeemable Cumulative Preference Shares of ₹ 100/- each	10,00,00,000	10,00,00,000
Total	**10,00,00,000**	**10,00,00,000**

NOTE NO. 14 DEFERRED TAX LIABILITIES (NET)

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Deferred Tax Liabilities : DTL		
Accelerated depreciation	7,62,30,165	6,55,42,568
Total Deferred tax liability	**7,62,30,165**	**6,55,42,568**
Deferred Tax Assets : DTA		
Defined benefit obligations	57,16,427	51,10,032
Change in Fair valuation of Financial Assets	3,53,580	9,96,234
Total Deferred tax assets	**60,70,007**	**61,06,266**
Net Deferred tax Liability	**7,01,60,158**	**5,94,36,302**
Deferred Tax on OCI Liabilties	1,32,790	6,75,077
Deferred Tax on OCI Assets		-
Net Deferred tax Liability	**7,02,92,948**	**6,01,11,379**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE NO. 15 OTHER NON CURRENT LIABILITIES - PROVISIONS

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
-Gratuity	1,08,92,004	83,86,754
-Leave Encashment	26,65,398	24,17,586
(Refer Note No.32)		
Total	**1,35,57,402**	**1,08,04,340**

NOTE NO. 16 BORROWINGS-CURRENT

Secured		
Working Capital facilities from Bank		
Borrowings in Foreign Currency	82,83,05,603	1,04,27,77,825
Borrowings in INR	17,07,81,669	13,13,54,298
Total	**99,90,87,272**	**1,17,41,32,123**

Note No.16.1

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the company's plant at Verna, Goa in favour of Consortium on a pari-passu basis. The Company has taken working capital from banks at interest rates of Libor+1% (In case of foreign currency) to 11.50% (in case of borrowings in INR)

NOTE NO. 17 TRADE PAYABLES

a) Total outstanding dues to Micro, Small & Medium Enterprises	10,60,945	
b) Total outstanding dues to other than Micro, Small & Medium Enterprises	1,05,96,31,072	77,82,82,714
Total	**1,06,06,92,017**	**77,82,82,714**

NOTE NO. 18 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of Vehicle Loan	30,78,115	54,88,800
Employee Dues	7,19,83,978	7,22,92,275
Unclaimed Dividend	13,67,665	13,02,181
Deposits	10,000	10,000
Other Current Liability	13,26,02,479	2,16,80,327
Total	**20,90,42,237**	**10,07,73,583**

NOTE NO. 19 PROVISIONS

a. Provision for Gratuity and compensated absences (Refer Note 32)		
-Gratuity	34,04,814	24,99,707
-Leave Encashment	22,12,363	14,61,419
b. Others	27,59,797	19,92,12,080
Total	**83,76,974**	**20,31,73,206**

NOTE NO. 20 CURRENT TAX LIABILITIES (NET)

Income Tax provision	4,90,43,098	9,04,34,813
Total	**4,90,43,098**	**9,04,34,813**

NOTE NO. 21 REVENUE FROM OPERATIONS

Particulars	2018-19 ₹	2017-18 ₹
Sale of products	9,87,33,23,177	9,04,06,99,436
Other operating revenues :-	-	-
Scrap Sales	1,31,10,296	1,36,36,882
Export Incentives	11,42,58,781	7,25,84,005
Total	**10,00,06,92,254**	**9,12,69,20,323**

NOTE NO. 22 OTHER INCOME

Interest Income	5,71,037	7,67,777
Insurance Claim received	12,01,993	-
Other income	9,03,629	19,92,582
Unwinding discount on Security Deposits i.e. Interest Income	3,14,427	2,92,495
Change in Fair Value of Forward Contract	9,51,630	4,98,735
Foreign Exchange Gain	4,22,67,326	8,11,88,593
Total	**4,62,10,042**	**8,47,40,182**

NOTE NO. 23 COST OF MATERIALS CONSUMED

Cost of material and components consumed	4,12,05,69,315	3,48,66,29,013

NOTE NO. 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Changes in inventories of finished goods, work-in-process and stock-in-trade	(19,90,15,526)	20,54,64,767

NOTE NO. 25 EMPLOYEE BENEFITS EXPENSE

(a) Salaries and Wages	1,54,08,95,037	1,42,07,12,242
(b) Contributions to - Providend fund , E.S.I.C. and other fund	4,19,74,981	3,88,78,854
(c) Staff welfare expenses	77,93,543	1,78,89,472
Total	**1,59,06,63,561**	**1,47,74,80,568**

NOTE NO. 26 FINANCE COST

Interest expense	5,92,48,443	6,49,38,296
Bank charges	3,03,05,475	2,79,97,045
Dividend on preference share including DDT	70,00,000	92,67,566
Total	**9,65,53,918**	**10,22,02,907**

NOTE NO. 27 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on tangible assets	13,90,01,387	14,63,43,004
Amortization of intangible asssets	8,90,37,642	12,20,39,683
Total	**22,80,39,029**	**26,83,82,687**

NOTE NO. 28 OTHER EXPENSES

Particulars	2018-19 ₹	2017-18 ₹
Water Charges	35,10,219	28,00,575
Power & Fuel	13,98,87,812	11,55,19,467
Freight Inward & Raw Material Clearing Charges	19,29,26,535	7,91,47,749
Repairs & Maintenance - Plant and Machinery	6,71,22,739	6,43,75,457
Repairs & Maintenance - Building	3,45,33,933	2,75,73,399
Other Manufacturing Expenses	19,48,96,359	25,05,79,855
Rent	6,82,14,341	5,64,81,686
Rates & Taxes	2,45,01,877	2,49,96,082
Travelling Expenses	6,71,03,734	4,15,29,400
Communication Expenses	1,27,66,488	1,14,08,809
Courier & Postage Expenses	19,61,219	5,34,29,955
Printing & Stationery	1,09,80,803	93,22,360
Auditors Remuneration	37,86,402	90,06,974
Vehicle Expenses & Local Conveyance	1,72,56,266	1,54,73,545
Legal & Professional Fees	10,58,84,228	7,96,42,801
Office Expenses	74,51,038	48,59,684
Insurance Charges	10,96,10,859	10,62,39,443
Loss/(Profit) on sale of Fixed Assets	(61,320)	5,45,045
Other Operating Expenses	28,18,79,760	17,73,63,543
Food and drug administration fees	9,80,24,729	2,81,48,902
Freight Outward & Export Clearing Expenses	36,93,82,960	34,30,81,043
Selling & Distribution Expenses	29,69,23,121	13,28,18,402
Total	**2,10,85,44,102**	**1,63,43,44,176**

Note No.28.1 Details of Payments to the Auditor

a. Audit fees	37,86,402	90,06,974

NOTE NO. 29. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Contingent Liabilities		
a) Guarantees and Letter of Credit	29,82,13,254	10,46,68,231
b) Claims against the Company not acknowledged as debts – Taxation		
- A.Y 2006-07 Appellate Authority – High Court (Demand for regular assessment)	Uncertain	Uncertain
- A.Y 2006-07 Appellate Authority - High Court (Penalty)	57,99,493	57,99,493
	30,40,12,747	**11,04,67,724**

NOTE NO. 30: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Although the Holding Company is required to spend ₹80,57,329 (PY ₹1,33,50,701) towards Corporate Social Responsibility, the Company has not spent any amount towards CSR Expenditure during the Year 18-19.

NOTE NO. 31: RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Holding Company as Research and Development expenditure during the financial year:

R & D Expenditure	GOA	New Mumbai	Total
Capital Expenditure (₹)	Nil	8,83,82,615	8,83,82,615
Revenue Expenditure (₹)	4,96,87,506	74,37,656	5,71,25,162
Total (₹)	**4,96,87,506**	**9,58,20,271**	**14,55,07,777**

NOTE NO. 32 EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I **Gratuity (defined benefit plan)**

In accordance with the applicable laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a **The Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Past Cost / (Gain)	93,171	-
Current Service Cost	(29,36,125)	(26,97,336)
Interest Cost	(8,05,598)	(6,53,521)
Scheme Cost (Income) to P&L	**(36,48,552)**	**(33,50,857)**

b **The remeasurement components recognised in other comprehensive income for the Holding Company's defined benefit plans comprise the following:**

Change in Financial Assumption	**(31,441)**	**3,04,696**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	(31,441)	3,04,696
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**1,12,875**	**7,81,391**
Total Actuarial Gain/(Loss) related to Liability	**81,434**	**10,86,087**

NOTE NO. 32 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Defined Benefit Obligations (DBO)	(1,42,96,818)	(1,08,86,461)
Fair Value of Plan Assets	-	-
Net Assets / (Liabilities)	**(1,42,96,818)**	**(1,08,86,461)**

d **A break-up of the defined benefit plan related balance sheet amounts as at 31st March, 2019 and 31st March, 2018, is shown below.**

Current Liability	(34,04,814)	(24,99,707)
Non-Current Liability	(1,08,92,004)	(83,86,754)
Total	**(1,42,96,818)**	**(1,08,86,461)**

e **The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:**

DBO at the beginning of the reporting period	**(1,08,86,461)**	**(95,96,493)**
Past Service (Cost) / Gain	93,171	-
Current Service Cost	(29,36,125)	(26,97,336)
Interest Cost	(8,05,598)	(6,53,521)
Benefits paid including to be paid	1,56,761	9,74,802
Remeasurements due to Actuarial Gain / (Loss)	81,434	10,86,087
DBO at the end of the reporting period	**(1,42,96,818)**	**(1,08,86,461)**

f **Change in Fair Value of Assets for the period ending as at 31st March, 2019 and 31st March, 2018**

The Company has not invested in any plan assets.

g **The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2019 are as follows:**

Discount Rate	7.35%	7.40%
Rate of Salary Increase	8.00%	8.00%

h **Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:**

Duration of the Liability	5.5	5.7

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2020 ₹	31st March, 2018 %	31st March, 2019 %	31st March, 2020 %
Base Scenario	**(1,08,86,461)**	**(1,42,96,818)**	**(1,44,62,698)**			
Discount Rate: Increase by 1%	(1,04,04,763)	(1,36,93,087)	(1,38,15,260)	-4.40%	-4.20%	-4.50%
Discount Rate: Decrease by 1%	(1,14,12,592)	(1,49,55,650)	(1,51,67,391)	4.80%	4.60%	4.90%
Salary Escalation Rate: Increase by 1%	(1,12,97,616)	(1,48,21,708)	(1,51,39,985)	3.80%	3.70%	4.70%
Salary Escalation Rate: Decrease by 1%	(1,04,98,086)	(1,38,02,858)	(1,38,26,205)	-3.60%	-3.50%	-4.40%
Withdrawal Rate: Increase by 20%	(1,02,08,760)	(1,34,78,915)	(1,24,91,433)	-6.20%	-5.70%	-13.60%
Withdrawal Rate: Decrease by 20%	(1,16,90,714)	(1,52,23,858)	(1,67,14,357)	7.40%	6.50%	15.60%
Mortality Rate: Increase by 20%	(1,08,91,494)	(1,43,01,458)	(1,44,56,759)	0.00%	0.00%	0.00%

NOTE NO. 32 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

Mortality Rate: Decrease by 20%	(1,08,81,422)	(1,42,92,166)	(1,44,68,623)	0.00%	0.00%	0.00%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

II **Compensated leave of absence plan (other long term benefit plan)**

The Holding Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

a **The Holding Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Past Service Cost / (Gain)	38,269	-
Current Service Cost	(18,21,569)	(13,70,191)
Interest Cost	(2,87,046)	(2,90,055)
Scheme Cost (Income) to P&L	**(20,70,346)**	**(16,60,246)**

b **The remeasurement components recognised in other comprehensive income for the Holding Company's defined benefit plans comprise the following:**

Change in Financial Assumption	**(8,648)**	**87,641**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	(8,648)	87,641
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**3,83,223**	**7,76,910**
Total Actuarial Gain/(Loss) related to Liability	**3,74,575**	**8,64,551**

c **The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.**

Defined Benefit Obligations (DBO)	(48,77,761)	(38,79,005)
Fair Value of Plan Assets (FVPA)	-	-
Net Assets / (Liabilities)	**(48,77,761)**	**(38,79,005)**

d **A break-up of the defined benefit plan related balance sheet amounts as at 31st March, 2019 and 31st March, 2018, is shown below.**

Current Liability	(22,12,363)	(14,61,419)

NOTE NO. 32 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

Non-Current Liability	(26,65,398)	(24,17,586)
Total	**(48,77,761)**	**(38,79,005)**

e **The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:**

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
DBO at the beginning of the reporting period	**(38,79,005)**	**(42,59,250)**
Past Service (Cost) / Gain	38,269	-
Current Service Cost	(18,21,569)	(13,70,191)
Interest Cost	(2,87,046)	(2,90,055)
Benefits paid	6,97,015	11,75,941
Remeasurements due to Actuarial Gain / (Loss)	3,74,575	8,64,551
DBO at the end of the reporting period	**(48,77,761)**	**(38,79,005)**

f **Change in Fair Value of Assets for the period ending as at 31st March, 2019 and 31st March, 2018**

The Company has not invested in any plan assets.

g **The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2019 are as follows:**

Discount Rate	7.35%	7.40%
Rate of Salary Increase	8.00%	8.00%

h **Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:**

Duration of the Liability	4	4.3

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations.The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2020 ₹	31st March, 2018 %	31st March, 2019 %	31st March, 2020 %
Base Scenario	**(38,79,005)**	**(48,77,761)**	**(49,78,407)**			
Discount Rate: Increase by 1%	(37,39,311)	(47,10,925)	(47,92,308)	-3.60%	-3.40%	-3.70%
Discount Rate: Decrease by 1%	(40,30,002)	(50,57,970)	(51,78,712)	3.90%	3.70%	4.00%
Salary Escalation Rate: Increase by 1%	(40,28,744)	(50,56,738)	(52,25,729)	3.90%	3.70%	5.00%
Salary Escalation Rate: Decrease by 1%	(37,37,936)	(47,09,041)	(47,45,451)	-3.60%	-3.50%	-4.70%
Withdrawal Rate: Increase by 20%	(38,54,021)	(48,22,655)	(44,03,988)	-0.60%	-1.10%	-11.50%
Withdrawal Rate: Decrease by 20%	(38,78,308)	(49,08,564)	(55,07,194)	0.00%	0.60%	10.60%
Mortality Rate: Increase by 20%	(38,80,186)	(48,77,695)	(49,76,194)	0.00%	0.00%	0.00%
Mortality Rate: Decrease by 20%	(38,77,817)	(48,77,821)	(49,80,613)	0.00%	0.00%	0.00%
Leaves Consumption Rate: Increase by 10%	(31,95,827)	(38,96,738)	(36,72,917)	-17.60%	-20.10%	-26.20%
Leaves Consumption Rate: Decrease by 10%	(45,14,345)	(57,78,310)	(61,65,359)	16.40%	18.50%	23.80%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

NOTE NO. 33 SEGMENT REPORTING

Particulars	2018-19 ₹	2017-18 ₹
Revenue		
-Domestic Operations	60,26,78,878	35,44,35,068
-International Operations	9,44,42,23,419	8,85,72,25,437
Total	**10,04,69,02,297**	**9,21,16,60,505**
Assets		
-Domestic Operations	2,02,96,77,521	1,60,53,30,217
-International Operations	6,00,04,59,711	5,68,61,25,508
Total	**8,03,01,37,232**	**7,29,14,55,725**
Liabilities		
-Domestic Operations	1,40,75,28,698	1,26,73,04,990
-International Operations	1,09,59,57,045	1,22,00,10,550
Total	**2,50,34,85,743**	**2,48,73,15,540**

NOTE NO. 34 EARNING PER SHARE

Earning per share is calculated by dividing the profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	2018-19 ₹	2017-18 ₹
Earning Per Share (EPS)		
1. Net profit as per the Statement of Profit and Loss available for equity shareholders	76,46,03,562	32,93,99,634
2. Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
b) For Diluted Earning Per Share of Re. 1/- each		
- No. of Share for Basic EPS as per 2 a	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding		
- No. of share for diluted Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
3. Earning Per Share (Weighted Average)		
Basic	1.87	0.80
Diluted	1.87	0.80

NOTE NO. 35 RELATED PARTY DISCLOSURES

i. **Key Management Personnel (KMP)**

Mr. Mark Saldanha - Managing Director

Mrs. Sandra Saldanha - Whole-time Director

Dr. Vinay Gopal Nayak (upto 31.12.2018) - Whole-time Director

Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019) – Whole-time Director

Mr. Jitendra Sharma - Chief Financial Officer

Mr. Harshavardhan Panigrahi - Company Secretary

NOTE NO. 35 RELATED PARTY DISCLOSURES *(Contd.)*

ii. Relatives of KMP

Mrs. Sandra Saldanha is spouse of Mr. Mark Saldanha (Managing Director)

Mr. Mark Saldanha is spouse of Mrs. Sandra Saldanha (Whole-time Director)

iii List of related parties with whom transactions have taken place during the year are as follows:

(a) Key Management Personnel / Directors - Remuneration:

Particulars	2018-19 ₹	2017-18 ₹
Mr. Mark Saldanha	1,04,32,320	1,04,32,320
Mrs. Sandra Saldanha	70,29,564	70,29,564
Dr. Vinay Gopal Nayak (upto 31.12.2018)	1,53,77,820	2,03,88,760
Mr. Varddhman Vikramaditya Jain (w.e.f. 24.01.2019)	26,39,874	-
Mr. Jitendra Sharma	1,10,26,456	87,87,032
Mr. Harshavardhan Panigrahi	21,29,358	20,07,733
Total	**4,86,35,392**	**4,86,45,409**

(b) Rent paid to Related Party

Particulars	2018-19 ₹	2017-18 ₹
Mr. Mark Saldanha	1,02,93,336	1,02,93,336

NOTE NO. 36 FAIR VALUE MEASUREMENTS (CONSOLIDATED)

Financial instruments by category

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVPL ₹	FVOCI ₹	Amortised cost ₹	FVPL ₹	FVOCI ₹	Amortised cost ₹
Financial assets						
Other Non-current financial assets	1,29,19,961	-		81,66,034	-	
Trade receivables, net	-	-	1,76,59,69,384	-	-	1,76,90,55,770
Cash and cash equivalents	-	-	33,53,84,697	-	-	39,87,68,569
Other current financial assets	9,51,630	-	23,14,674	4,98,735	-	10,50,239
Total	**1,38,71,591**	**-**	**2,10,36,68,755**	**86,64,769**	**-**	**2,16,88,74,578**
Financial Liabilities						
Other Non-current financial liabilities	-	-	10,00,00,000	-	-	10,00,00,000
Short term borrowings	-	-	99,90,87,272	-	-	1,17,41,32,123
Trade payables	-	-	1,06,06,92,017	-	-	77,82,82,714
Other current financial liabilities	-	-	20,90,42,237	-	-	10,07,73,583
Total	**-**	**-**	**2,36,88,21,526**	**-**	**-**	**2,15,31,88,420**

Notes

i) Trade receivables comprise amounts receivable from the sale of goods and services.

ii) The management considers that the carrying amount of trade and other receivables approximates their fair value.

iii) Bank balances and cash comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.

iv) Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates their fair value.

NOTE NO. 36 FAIR VALUE MEASUREMENTS (CONSOLIDATED) *(Contd.)*

Fair value hierarchy :

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

All amortised cost and fair value through profit & loss financial assets and liabilities are classified as level 3 inputs, except, Foreign Exchange Forward Contract of ₹9,51,630 (Previous Year ₹4,98,735) are classified as Level 1 input as market price for currency is readily available.

NOTE NO.37 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods are summarised as follows:

The Group's goal in capital management is to maintain a capital-to-overall financing structure ratio as low as possible.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	2018-19 ₹	2017-18 ₹
Total equity	5,52,69,91,578	4,80,41,40,189
Less: Cash & cash equivalents	33,53,84,697	39,87,68,569
Capital	5,19,16,06,881	4,40,53,71,620
Total equity	5,52,69,91,578	4,80,41,40,189
Add Borrowings	99,90,87,272	1,17,41,32,123
Add Other Financial Liabilities	10,00,00,000	10,00,00,000
Overall financing	6,62,60,78,850	6,07,82,72,312
Capital to overall financing ratio	0.78	0.72

Dividend

(i) Equity Shares		
Final dividend paid during the year ended including Dividend Distribution Tax	4,44,41,386	2,46,32,089

NOTE NO. 38 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which results from the Group's operating and investing activities. The Group's risk management is coordinated , in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash equivalents, trade receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Group's cash equivalents and deposits are invested with banks.

The Group's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

(i) Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised as at the date of the balance sheet is summarised below:

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
Cash & cash equivalents	33,53,84,697	39,87,68,569
Trade Receivables	1,76,59,69,384	1,76,90,55,770
Short Term Financial Assets	32,66,304	15,48,974
Long Term Financial Assets	1,29,19,961	81,66,034
Total	**2,11,75,40,346**	**2,17,75,39,347**

Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of ₹3,353.85 lakhs at 31st March, 2019 (31st March, 2018: ₹3,987.69 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade receivables

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Expected Credit Loss on Trade Receivables has been provided as NIL, since major receivables are from Subsidiaries and step-down subsidiaries which are considered good.

Given below is ageing of trade receivable spread by period of six months:

Outstanding for more than 6 months	5,01,83,185	15,81,58,915
Others	1,71,57,86,199	1,61,08,96,855
Total	**1,76,59,69,384**	**1,76,90,55,770**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

NOTE NO. 38 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

In respect of trade and other receivables, the Group's credit risk exposure towards any single counterparty or any groups of counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(ii) Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31st March, 2019, the Group's liabilities have contractual maturities which are summarised below:

	Current	Non-Current	
	Within 1 year ₹	1 to 5 years ₹	More than 5 years ₹
Trade payable	1,06,06,92,017	-	-
Financial liabilities		10,00,00,000	-
Short term borrowings	99,90,87,272	-	-
Other current financial liabilities	20,90,42,237	-	-
Total	**2,26,88,21,526**	**10,00,00,000**	**-**

(iii) Market Risk Analysis

(a) Foreign Currency sensitivity

Financial instruments by category

Foreign currency denominated financial assets and liabilities, translated into USD at the closing rate are as follows :

Particulars	31st March, 2019			31st March, 2018		
	USD	RATE	INR	USD	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	1,66,46,777	68.35	1,13,78,07,233	1,61,47,417	64.19	1,03,65,25,492
FINANCIAL ASSETS	**1,66,46,777**	**68.35**	**1,13,78,07,233**	**1,61,47,417**	**64.19**	**1,03,65,25,492**
Financial liabilities						
Borrowings (PCFC)	57,29,241	70.00	40,10,46,871	36,74,603	65.80	24,17,88,889
Trade payables / other	4,51,894	70.00	3,16,32,568	33,34,941	65.80	21,94,39,134
FINANCIAL LIABILITIES	**61,81,135**	**70.00**	**43,26,79,439**	**70,09,544**	**65.80**	**46,12,28,023**
Short term exposure	1,04,65,642	67.38	70,51,27,794	91,37,873	62.96	57,52,97,469

US Dollar conversion rate was ₹62.96 at the beginning of the year and scaled to a high of ₹70.00 and to low of ₹67.38. The closing rate is ₹67.38. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

PARTICULARS	31st March, 2019		31st March, 2018	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR				
Net Result for the Year	7,05,12,779	-7,05,12,779	5,75,29,747	-5,75,29,747

NOTE NO. 38 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

Foreign Currency denominated financial assets and liabilities, translated into GBP at the closing rate are as follows:

Particulars	31st March, 2019			31st March, 2018		
	GBP	RATE	INR	GBP	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	66,51,887	90.00	59,86,69,807	63,40,621	89.61	56,81,77,588
FINANCIAL ASSETS	**66,51,887**	**90.00**	**59,86,69,807**	**63,40,621**	**89.61**	**56,81,77,588**
Financial liabilities						
Borrowings (PCFC)	21,59,071	93.30	20,14,41,308	31,41,326	92.30	28,99,44,390
Trade payables / other	10,946	93.30	10,21,222	859	92.30	79,292
FINANCIAL LIABILITIES	**21,70,017**	**93.30**	**20,24,62,530**	**31,42,185**	**92.30**	**29,00,23,682**
Short term exposure	44,81,870	88.40	39,62,07,277	31,98,436	86.97	27,81,53,906

GBP conversion rate was ₹86.97 at the beginning of the year and scaled to a high of ₹93.30 and to low of ₹88.40. The closing rate is ₹88.40. Considering the volatility in direction of strengthening GBP upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

PARTICULARS	31st March, 2019		31st March, 2018	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR				
Net Result for the Year	3,96,20,728	-3,96,20,728	2,78,15,391	-2,78,15,391

Foreign Currency denominated financial assets and liabilities, translated into EUR at the closing rate are as follows:

Particulars	31st March, 2019			31st March, 2018		
	EUR	RATE	INR	EUR	RATE	INR
Short term exposure						
Financial assets						
Trade receivables	86,324	77.05	66,51,232	86,324	79.05	68,23,879
Other Current Financial Asset	**14,130**	**80.00**	**11,30,400**			
FINANCIAL ASSETS	1,00,454	77.46	77,81,632	86,324	79.05	68,23,879
Financial liabilities						
Trade Payables	-	-	-	47,747	81.75	39,03,338
FINANCIAL LIABILITIES	**-**	**-**	**-**	**47,747**	**81.75**	**39,03,338**
Short term exposure	1,00,454	77.46	77,81,632	38,577	75.71	29,20,541

EUR conversion rate was ₹75.71 at the beginning of the year and scaled to a high of ₹80.00 and to low of ₹77.05. The closing rate is ₹77.46. Considering the volatility in direction of strengthening EUR upto 10%, the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

PARTICULARS	31st March, 2019		31st March, 2018	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR				
Net Result for the Year	7,78,163	-7,78,163	2,92,054	-2,92,054

NOTE NO. 38 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

(b) Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term borrowing. The Group has taken several short term borrowings on fixed rate of interest. Since, there is no interest rate cash outflow associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The Group has outstanding borrowings of USD 5.73 million (2018 - USD 6.28 million) and GBP 4.67 million (2018 - GBP 6.82 million). In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	31st March, 2019	31st March, 2018
Net results for the year	82,83,056	1,04,27,778

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 100 basis points then such decrease shall have the following impact on:

Net results for the year	-82,83,056	-1,04,27,778

NOTE NO. 39 DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY

a) Exposure in foreign currency - Hedged

The Group enters into forward exchange contracts to hegde against its foreign exposures in relation to the underlying transactions. The Group does not enter into any derivative instruments for trading or speculative purpose

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	No. of contracts	Buy Amount In Foreign Currency	INR equivalent
Forward Contract to buy USD - As at 31-03-2019	2	15,00,000	10,55,06,250
Forward Contract to buy USD - As at 31-03-2018	13	1,20,00,000	80,68,11,250
Forward Contract to buy GBP - As at 31-03-2018	12	35,00,000	32,20,48,790

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)	
	As at 31st March, 2019	As at 31st March 2018	As at 31st March, 2019	As at 31st March 2018
USD	46,81,135	-	1,66,46,777	1,61,47,417
GBP	21,70,016	-	66,51,887	63,40,621
EUR	(14,130)	47,747	86,324	86,324

Currency	Payable (In Indian Currency)		Receivable (In Indian Currency)	
	As at 31st March, 2019	As at 31st March 2018	As at 31st March, 2019	As at 31st March 2018
USD	32,76,79,440	-	1,13,78,07,233	1,03,65,25,492
GBP	20,24,62,529	-	59,86,69,807	56,81,77,588
EUR	(11,30,400)	39,03,338	66,51,232	68,23,879

NOTE NO.40 (A) - INFORMATION OF SUBSIDIARY PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 AND COMPANIES (ACCOUNTS) AMENDMENT RULES, 2016.

Particulars	Currency	Marksans Pharma (UK) Limited CONSOLIDATED	Currency	Nova Pharmaceuticals Australasia Pty Ltd	Currency	Marksans Pharma Inc
Capital	GBP	85,96,941	AUD	150	USD	2,63,81,743
	RS.	66,92,37,881	RS.	4,781	RS.	1,67,55,96,991
Reserve	GBP	72,86,872	AUD	53,27,858	USD	-15,87,149
	RS.	59,80,94,153	RS.	25,54,16,200	RS.	-2,01,76,423
Total Assets	GBP	3,18,11,844	AUD	81,72,289	USD	4,31,20,625
	RS.	2,70,09,35,030	RS.	39,15,19,826	RS.	2,90,80,04,855
Total Liabilities	GBP	3,18,11,844	AUD	81,72,289	USD	4,31,20,625
	RS.	2,70,09,35,030	RS.	39,15,19,826	RS.	2,90,80,04,854
Turnover	GBP	4,43,22,262	AUD	2,01,69,348	USD	5,79,12,261
	RS.	4,12,64,02,608	RS.	1,05,18,31,498	RS.	4,11,46,66,144
Profit/(Loss) Before Taxation	GBP	39,29,368	AUD	26,39,957	USD	3,90,203
	RS.	36,58,24,168	RS.	13,76,73,758	RS.	2,77,23,923
Provision for Taxation	GBP	8,03,275	AUD	7,33,558	USD	24,175
	RS.	7,47,84,903	RS.	3,82,55,050	RS.	17,17,634
Profit/(Loss) After Taxation	GBP	31,26,093	AUD	19,06,399	USD	3,66,028
	RS.	29,10,39,266	RS.	9,94,18,708	RS.	2,60,06,289
Dividend	GBP	-	AUD	11,53,562	USD	-
	RS.	-	RS.	6,01,58,258	RS.	-

NOTE NO. 40(B) - DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 :

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As% of consolidated net assets	Amount - ₹	As% of consolidated net assets	Amount - ₹	As% of consolidated net assets	Amount - ₹	As% of consolidated net assets	Amount - ₹
Parent								
Marksans Pharma Limited	86.74	4,70,57,43,317	54.23	43,61,75,007	(8.11)	3,23,219	54.54	43,64,98,226
Subsidiaries								
Marksans Pharma U.K. Limited	23.36	1,26,73,32,035	36.18	29,10,39,266	627.41	-2,50,02,687	33.24	26,60,36,579
Nova Pharmaceuticals Australasia Pty Ltd	4.71	25,54,20,982	12.36	9,94,18,708	566.49	-2,25,74,789	9.60	7,68,43,919
Marksans Pharma Inc.	30.52	1,65,54,20,570	3.23	2,60,06,289	(255.23)	1,01,71,085	4.52	3,61,77,374
Sub –Total	**145.33**	**7,88,39,16,904**	**106.00**	**85,26,39,270**	**930.56**	**-3,70,83,172**	**101.90**	**81,55,56,098**
Intercompany elimination and Consolidation adjustment	(45.33)	-2,45,90,93,718	(6.00)	-4,82,68,225	(830.56)	3,30,98,121	(1.90)	-1,51,70,104
Grand Total	**100.00**	**5,42,48,23,186**	**100.00**	**80,43,71,045**	**100.00**	**-39,85,051**	**100.00**	**80,03,85,994**
Minority Interests in Subsidiaries		10,21,68,392		3,97,67,483				3,97,67,483

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2019

	Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
A.	Cash Flow From Operating Activities		
	Profit/(Loss) Before Tax	**1,04,30,65,854**	**49,79,80,904**
	Adjustments to reconcile profit before tax and prior period		
	items to cash provided by operations:		
	-Depreciation	22,80,39,029	26,83,82,687
	-Exchange differences in translating the financial statements of a foreign operation	(43,08,270)	6,83,28,876
	-(Profit)/Loss on sale of Property Plant and Equipment	(61,320)	5,45,045
	-Finance Cost	9,65,53,918	10,22,02,907
	-Dividend Income	-	-
	-Interest Income	(5,71,037)	(7,67,777)
	-Unwinding discount on Security Deposits i.e. Interest Income	(3,14,427)	(2,92,495)
	-Remeasurement of the net defined benefit plans	4,56,009	19,50,638
	-Change in Fair value of Forward contract	(9,51,630)	(4,98,735)
	Operating Profit before working capital changes	**1,36,19,08,126**	**93,78,32,050**
	Movements in working capital :		
	(Increase)/Decrease in Inventories	(75,12,19,537)	(28,03,71,735)
	(Increase)/Decrease in Trade and other receivables	30,86,386	70,67,55,694
	(Increase)/Decrease in Other financial assets	(64,71,257)	(29,37,027)
	(Increase)/Decrease in Other assets	(12,05,88,418)	5,24,54,605
	Minority Interest	(3,30,93,219)	44,10,466
	Increase/(Decrease) in Trade Payable and provisions	9,03,66,133	(84,25,89,129)
	Income Tax paid	(27,00,37,745)	(7,46,38,257)
	Net cash used in operating activities	**27,39,50,469**	**50,09,16,667**
B.	Cash Flow provided by (used in) Investing Activities:		
	(Purchase)/Sale of Property Plant and Equipment	(13,14,65,417)	(38,93,51,376)
	Interest Income	5,71,037	7,67,777
	Increase in Margin Money	(51,67,529)	(3,00,000)
	Unwinding discount on Security Deposits i.e. Interest Income	3,14,427	2,92,495
	Change in Fair value of Forward contract	9,51,630	4,98,735
	Net Cash Flow provided by (used in) Investing Activities	**(13,47,95,852)**	**(38,80,92,369)**

Consolidated Cash Flow Statement for the year ended 31st March, 2019

Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
C. Cash Flow provided by (used in) Financing Activities:		
Redemption of Preference Share Capital	-	(1,00,00,000)
Proposed Dividend and Dividend Distribution Tax on it	(4,44,41,386)	(2,46,32,089)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(6,67,76,197)	17,06,82,921
Finance Cost	(9,65,53,918)	(10,22,02,907)
Net Cash Flow provided by (used in) Financing Activities	**(20,77,71,501)**	**3,38,47,925**
Net Increase /(Decrease) in Cash and Bank Balances	**(6,86,16,884)**	**14,66,72,223**
Cash & Bank Balances as at 31.03.2018	**39,71,66,387**	**25,04,94,164**
Cash & Bank Balances as at 31.03.2019	**32,85,49,503**	**39,71,66,387**
	(6,86,16,884)	**14,66,72,223**

Notes :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7,' Statement of Cash Flows'.

2 The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

3 The Break-up of Cash Balance is as follows

Particulars	31st March, 2019 ₹	31st March, 2018 ₹
a. Balances with banks		
In current Account	32,81,39,113	39,67,52,760
b. Cash in hand	4,10,390	4,13,627
TOTAL	**32,85,49,503**	**39,71,66,387**

FOR AND ON BEHALF OF
BHUTA SHAH & CO. LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No.: 048650

Place : Mumbai
Date : 29th May, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053.
Website: www.marksanspharma.com, E-mail: companysecretary@marksanspharma.com

NOTICE

To
The Members of
Marksans Pharma Limited

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting of the Members of Marksans Pharma Limited will be held on Thursday, the 26th September, 2019 at 10:30 a.m. at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

   (a) the audited Financial Statements of the Company for the financial year ended 31st March, 2019, the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and Reports of the Auditors thereon.

2. To declare dividend on equity shares and preference shares for the financial year ended 31st March, 2019.

3. To appoint a Director in place of Mrs. Sandra Saldanha (DIN: 00021023) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

4. To approve appointment of Mr. Abhinna Sundar Mohanty (DIN: 00007995) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of Sections 149, 152 of the Companies Act, 2013 (hereinafter referred to as "the Act") and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable Regulations, if any, Mr. Abhinna Sundar Mohanty (DIN: 00007995) who was appointed as an Additional Director (Additional, Independent, Non – Executive Director) of the Company by the Board of Directors effective from 11th July, 2019 and who has submitted a declaration of independence as provided in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office till the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 and based on recommendation of Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) consecutive years with effect from 11th July, 2019 whose office shall not be liable to retire by rotation."

   "RESOLVED FURTHER THAT any of the Directors of the Company and Key Managerial Personnel of the Company, be and are hereby authorized severally to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution."

5. To approve Marksans Employees Stock Option Scheme 2019 and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be required, "MARKSANS EMPLOYEES STOCK OPTION SCHEMES 2019 (hereinafter referred to as "MARKSANS ESOS 2019") for the benefit of present and future permanent employees of the Company and its directors, whether whole-time director or not but excluding promoters and independent directors, be and is hereby approved as per the salient features mentioned in the Explanatory Statement annexed herewith, provided that the total number of options that can be granted under MARKSANS ESOS 2019 shall not exceed 81,86,273 options, convertible into equivalent number of equity shares of Re. 1/- each face value of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") which term shall be deemed to include the "Compensation Committee" constituted by the Board to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized, on behalf of the Company to grant from time to time in one or more tranches, options to apply for Equity Shares of the face value of Re. 1/- each of the Company under the said MARKSANS ESOS 2019 and consequently create, issue, allocate and allot at any time and from time to time equity shares of Re. 1/- each face value in terms of such options."

"RESOLVED FURTHER THAT options and the consequential issue, allocation and allotment of equity shares under the said MARKSANS ESOS 2019 shall be at such price including at a discount, in such manner, during such period in one or more tranches and on such other terms and conditions as the Board may decide."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issue, buy-back of shares, split or consolidation of shares, amalgamation, sale of undertaking, etc. resulting into change in the capital structure of the Company, the Board be and is hereby authorised to make such adjustments as it may deem fit to the quantum of shares to be issued pursuant to the exercise of the options, the exercise price, and other rights and obligations under the options."

"RESOLVED FURTHER THAT the equity shares to be allotted under the said MARKSANS ESOS 2019 shall, upon allotment, rank pari passu in all respects interse as also with the then existing equity shares including dividend entitlement."

"RESOLVED FURTHER THAT to determine all other terms and conditions for the purpose of giving effect to any grant of options and consequent issue and allotment of equity shares under the said MARKSANS ESOS 2019, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard including to amend or modify any of the terms and conditions of the grant of options and consequent issue and allotment of equity shares without being required to seek any further consent or approval of the members of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to:-

(a) Administer, implement and superintend MARKSANS ESOS 2019;

(b) Determine the terms and conditions of grant, issue, re-issue, cancel and withdrawal of options from time to time;

(c) Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive MARKSANS ESOS 2019 in line with salient features mentioned in the Explanatory Statement annexed herewith and/or any sub-scheme or plan for the purpose of grant of options under MARKSANS ESOS 2019 and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time."

"RESOLVED FURTHER THAT Nomination and Remuneration Committee of Directors of the Company be and is hereby designated as the Compensation Committee referred here in above for MARKSANS ESOS 2019."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under MARKSANS ESOS 2019 on National Stock Exchange of India Limited and BSE Limited where the Company's equity shares are listed, as per the terms and conditions of the Listing Regulations and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing."

For and on behalf of the Board of Directors of
Marksans Pharma Limited

Mumbai
Dated: 9th August, 2019

Harshavardhan Panigrahi
Company Secretary and Manager Legal

Registered Office:
11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai-400 053.

NOTES:

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY.** The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10 percent of the total share capital of the company. A member holding more than 10 percent of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

b) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 21st September, 2019 and will remain closed till Thursday, the 26th September, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if declared at the Annual General Meeting.

c) Dividend, if declared at the Annual General Meeting, will be credited /dispatched on or after 4th October, 2019 to those members whose names shall appear on the Company's Register of Members on 20th September, 2019. In respect of the shares held in dematerialised form, dividend will be paid to the beneficial owners whose names will be furnished by the Depositories as on that date. Members are requested to notify promptly any change in their registered address.

d) Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, dividend which remains unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Members who have not encashed the dividend warrant(s) for the financial years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 are requested to make their claims to the Company's Registrar and Share Transfer Agent Bigshare Services Private Limited, without any delay.

Due date for transfer of unclaimed dividend to IEPF:

Year of Dividend	Dividend rate per share (Rs.)	Date of Declaration	Due date of transfer to IEPF
2013-14	0.10	25th September, 2014	31st October, 2021
2014-15	0.12	29th September, 2015	3rd November, 2022
2015-16	0.12	29th September, 2016	3rd November, 2023
2016-17	0.05	26th September, 2017	31st October, 2024
2017-18	0.05	27th September, 2018	2nd November, 2025

e) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form intimate their bank particulars and/or change in bank particulars to the Company's Registrar and Transfer Agent.

f) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

g) Members desiring any information as regards the Accounts are requested to write to the Company at least 7 days in advance so as to enable the Management to keep the information ready.

h) Members holding shares in physical form are requested to immediately intimate to the Company's Registrar and Transfer Agent, changes, if any, in their registered address along with the PIN code. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.

i) Members holding shares in physical form are informed that SEBI, vide Gazette Notification dated June 8, 2018 and as amended, has mandated that with effect from April 1, 2019, except in case of transmission or transposition of shares, transfer of shares of the Company would be carried out in dematerialised form only. No physical shares will be accepted for transfer from that date. Therefore, members who are holding shares in physical form are advised to dematerialise their shares in case they wish to transfer their shares. For the purpose, members should lodge duly filled in and signed demat request form along with Share Certificate with their depository participant.

j) In terms of provisions of the Companies Act, 2013, nomination facility is available to individual members. The members who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Registrar and Transfer Agent Bigshare Services Private Limited for nomination form quoting their folio number. Members holding shares in dematerialized form should write to their Depository Participant for the purpose.

k) Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

l) Members/ Proxies should bring their attendance slip duly filled in, for attending the meeting.

m) In terms of Section 108 of the Companies Act, 2013 read with Rule 20(2)(vii) of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility to its Members, being eligible to vote, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

n) In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered Friday, 20th September, 2019 to determine the eligibility of members to vote by electronic means or through physical ballot at the AGM (Cut-off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on Cut-Off date would be entitled to vote through electronic means or through physical ballot at the AGM.

o) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities and for enabling the members to cast their vote in a secured manner. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting facility will be available during the following Period:

Commencement of remote e-voting: On Monday, 23rd September, 2019 at 09:00 a.m.

Conclusion of remote e-voting: On Wednesday, 25th September, 2019 at 05:00 p.m.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

p) The persons who have become the Members of the Company after the dispatch of the Notice and Annual Report and their names appear in the Register of Members/List of Beneficial owners as on the Cut-off date may contact the Registrar and Transfer Agent to obtain the Notice of AGM and the login id and password for casting vote electronically or may cast their vote through physical ballot at the AGM. If a Member is already registered with CDSL e-voting Platform then he can use his existing user ID and Password for casting the vote through remote e-voting. Detail of the process and manner of remote e-voting is being sent to all the Members along with the Notice.

q) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

r) Poll at the Meeting

After the items of the notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting and poll as stated above. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date and who have not cast their vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. After conclusion of the poll, the Chairman shall declare the meeting as closed. The results of the poll aggregated with the results of remote e-voting will be announced by the Company on its website: www.marksanspharma.com within 48 hours of conclusion of the AGM and also inform the stock exchanges where the securities of the Company are listed.

Instructions and other information relating to e-voting is annexed to this notice as E-Voting Instruction for Shareholder.

s) A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

t) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

u) A route map and prominent land mark for easy location to the venue of AGM is given on the back of the Proxy Form attached to this Notice.

v) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Company's Registrar and Transfer Agent for receiving all communication including Annual Report, Notices, etc. from the Company electronically.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 11th July, 2019, appointed Mr. Abhinna Sundar Mohanty (DIN: 00007995), as an Additional Director (Independent, Non-Executive) of the Company effective from 11th July, 2019 whose tenure will expire at the ensuing Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature for the office of Independent Director to be appointed as such under the provisions of Sections 149, 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Act read with The Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable regulations, if any.

Mr. Abhinna Sundar Mohanty is M.Sc. in Mathematics from Revenshaw College, Cuttack, Odisha. He has 39 years of experience in the pharmaceutical industry. He started his career with Alembic and went on to build his career through every cadre in sales and marketing department of pharma industry. During his career, he was engaged in sales, marketing, business development and business strategy for over 27 years in pharma industry. He was instrumental in globalising branded business of Pharma sector in most part of the world.

Brief resume of Mr. Abhinna Sundar Mohanty as stipulated under the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and details as required under SS-2 (Secretarial Standard-2 on General Meeting) is given here below.

1.	Name		Mr. Abhinna Sundar Mohanty
2.	Date of Birth		02.10.1953
3.	Age		66 years
4.	Profession		Retired
5.	Qualification		M.Sc. (Mathematics)
6.	6.1	Terms and conditions of re-appointment and details of remuneration sought to be paid	As per resolution no.4
	6.2	Remuneration Last drawn	-
7.	Experience		He has 39 years of experience in the pharmaceutical industry. He started his career with Alembic and went on to build his career through every cadre in sales and marketing department of pharma industry. During his career, he was engaged in sales, marketing, business development and business strategy for over 27 years in pharma industry. He was instrumental in globalising branded business of Pharma sector in most part of the world.
8.	Shareholding of the Director		2687 equity shares
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		None
10.	Date of first appointment on the Board		11.07.2019
11.	List of other Directorship and membership/Chairmanship of committees of other Boards		

Board Meetings attended during the year	Whether attended last AGM	Directorships in other Companies	Board Committee Membership/ (Chairmanship)
N.A.	N.A.	Rytus Therapeutics Limited, Rytus Healthcare Foundation, SSB Seva Kartavya Foundation	Nil

Brief resume of Mr. Abhinna Sundar Mohanty, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se are also provided in the Corporate Governance Report forming part of the Annual Report.

The Board considers that his association with the Company would be of immense benefit to the Company and it is desirable to continue to avail his service as Independent Director. Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

Mr. Abhinna Sundar Mohanty (DIN: 00007995) is holding 2687 equity shares in the Company. Except Mr. Abhinna Sundar Mohanty, being appointee, none of the other Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said resolution.

Item No. 5

In the present competitive environment and in the long term interest of the Company and its shareholders, it is necessary that the Company adopt suitable measures for attracting and retaining qualified, talented and competent employees. Stock option is an effective instrument to foster a sense of ownership and belonging amongst the employees and provide an opportunity to participate in the growth of the Company besides creating long term wealth in their hands.

The Members had at the 26th Annual General Meeting held on 27th September, 2018, approved Marksans Employees Stock Option Scheme 2018. However, the said Scheme has not been implemented yet and therefore, as a measure of abundant precaution; the Board is seeking fresh approval of the Scheme under the title "Marksans Employees Stock Option Scheme 2019".

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2019 ("Marksans ESOS 2019"). Grant of stock options under Marksans ESOS 2019 shall be as per the terms and conditions as may be decided by the Board from time to time in accordance with the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

The salient features of Marksans ESOS 2019 are as under:-

1. Total number of Options to be granted
   (i) A total of 81,86,273 Options would be available for grant to eligible employees under the scheme.
   (ii) Number of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split, consolidation of shares, amalgamation, sale of undertaking, etc. of the Company.
   (iii) Each option when exercised would give the option holder a right to get one fully paid equity share of Re. 1 each face value of the Company.
   (iv) The options which will lapse, expire or be forfeited, will be available for further grant to the eligible employees.
2. Implementation of Marksans ESOS 2019
   The Scheme shall be implemented by the Company under the supervision of the Compensation Committee constituted by the Board of Directors of the Company for the purpose.
3. Classes of Employees entitled to participate in Marksans ESOS 2019
   All present and future permanent employees and directors, whether whole-time director or not but excluding independent directors, shall be eligible to participate in the scheme. The Promoter, the person belonging to promoter group or director/employee, who either himself or through his relative or through body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme.
4. Requirements and period of Vesting
   The options granted shall vest so long as the employee continues to be in the employment of the Company. The vesting period shall be decided by the Compensation Committee from time to time but shall not be less than one (1) year and not more than five (5) years from the date of grant of options. Vesting may happen in one or more tranches.
5. Exercise Price or Pricing formula
   The exercise price and/or the pricing formula shall be decided by the Compensation Committee from time to time. Employees shall bear all tax liability in relation to grant of options.
6. Exercise Period and process of exercise
   The Compensation Committee shall decide the exercise period from time to time which can be extended upto seven (7) years from the vesting date(s). The employees can exercise stock options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee from time to time.

7. Appraisal process for determining the eligibility of the employees

   The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee at its sole discretion from time to time. In case of performance linked stock options, the number of vested stock options may vary from the original number of stock options granted.

8. Maximum number of options to be granted per employee

   Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis. However, it is proposed that options not exceeding 81,86,273 equity shares of Re. 1/- each face value in the aggregate can be granted. Further, options under each Grant to an employee shall not be less than fifty (50) and shall not exceed 1% of the total issued capital of the Company in any year provided that the aggregate number of options granted per employee under the total tenure of the scheme in any case shall not exceed 81,86,273 options.

9. Transferability options

   The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death or permanent disability of an employee stock option holder while in employment, the right to exercise options granted to him till such date shall be transferred to his legal heirs or nominees.

10. Accounting Policies

    The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014 in respect of shares issued under Marksans ESOS 2019.

11. Method of Valuation

    The Company shall use one of the applicable methods (intrinsic value or fair value) to value its options. In case the Company calculates the employee compensation cost using intrinsic value of options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of options, shall be disclosed in the Directors Report and also the impact of this difference on Statement of Profit and Loss and on Earnings Per Share (EPS) of the Company shall be disclosed in the Directors Report.

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws from time to time. The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of Marksans ESOS 2019.

In terms of the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, Marksans ESOS 2019 is required to be approved by the Members by way of a Special Resolution.

A copy of the draft Marksans ESOS 2019 will be available for inspection on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of the stock options that may be granted to them under Marksans ESOS 2019.

The Board recommends the resolutions set out at Item No. 5 of the Notice for approval of the Members as a Special Resolution.

Section 62 of the Companies Act, 2013 inter – alia provides that wherever it is proposed to increase the subscribed capital of the Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders in the general meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to grant options and allot shares to employees in the manner set out in the resolution.

Details of Director seeking re-appointment as required under Regulation 36 of SEBI (LODR) Regulations, 2015

Re-appointment of Mrs. Sandra Saldanha (DIN: 00021023) (Item No. 3)

Mrs. Sandra Saldanha (DIN: 00021023), a non-independent, executive and promoter director was re-appointed in 24th Annual General Meeting held on 29th September, 2016. She will retire as Director at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. Mrs. Sandra Saldanha aged 47 years is a Master of Arts (Sociology). She has experience in Human Resource Management, Business Development, Projects and Supply Chain Management.

1.	Name		Mrs. Sandra Saldanha	
2.	Date of Birth		11.12.1971	
3.	Age		47 years	
4.	Profession		Business	
5.	Qualification		Master of Arts (Sociology)	
6.	6.1	Terms and conditions of re-appointment and details of remuneration sought to be paid	As per resolution no.5 passed at the 25th Annual General Meeting held on 26th September, 2017.	
	6.2	Remuneration Last drawn	Rs. 70,29,564/-	
7.	Experience		She has experience in Human Resource Management, Business Development, Projects and Supply Chain Management.	
8.	Shareholding of the Director		180 equity shares	
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		Relative of Mr. Mark Saldanha	
10.	Date of first appointment on the Board		25.09.2014	
11.	List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards			
	Board Meetings attended during the year	Whether attended last AGM	Directorships in other Companies	Board Committee Membership/ (Chairmanship)
	6	Yes	Marksans Pharma (UK) Limited, Marksans Holdings Limited, Relonchem Limited, Bell, Sons and Co (Druggists) Limited	Nil

For and on behalf of the Board of Directors of
Marksans Pharma Limited

Harshavardhan Panigrahi
Company Secretary and Manager Legal

Mumbai
Dated: 9th August, 2019

Registered Office:
11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai-400 053.

E-VOTING INSTRUCTION FOR SHAREHOLDERS

The instructions for members voting electronically are as under:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and amendments thereof, the Company is providing facility for voting by electronic means and all resolutions set forth in the Notice convening the 27th AGM of the Company may be transacted through such voting. The Company will also be providing voting facility through polling paper at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting may be able to exercise their voting right at the AGM.

(i) The e-voting period begins on 23rd September, 2019 at 09:00 a.m. IST and ends on 25th September, 2019 at 05:00 p.m. IST. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Any person who acquires shares of the Company and becomes member of the Company after dispatch of notice of AGM and holding shares as on the cut-off date i.e. 20th September, 2019 should follow the same procedure for e-Voting as mentioned below.

(ii) Members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For members holding shares through CDSL: 16 digits beneficiary ID,

b. For members holding shares through NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next, enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of "0" (Zero) before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of MARKSANS PHARMA LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians:-

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) General instructions:

a. A person whose name is recorded in the register of members or in the beneficial owners maintained by depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.

b. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

c. The Board of Directors has appointed Jinesh Dedhia & Associates, Practicing Company Secretaries, (CP No. 20229), to act as the Scrutinizer for conducting the electronic voting and physical ballot voting process in a fair and transparent manner.

d. In case of Members who are entitled to vote but have not exercised their right to vote by remote e-voting, the Chairman will offer an opportunity to such Members to vote at the AGM for all businesses specified in the accompanying Notice. For abundant clarity, please note that the Members who have exercised their right to vote by remote e-voting shall not be entitled to vote at the AGM, but shall be entitled to attend the meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

e. Remote e-voting shall not be allowed beyond 05:00 p.m. on 25th September, 2019. During the remote e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.

f. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

g. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th September, 2019.

h. The Results of e-voting and poll voting at the meeting on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

i. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.marksanspharma.com and on the website of CDSL e-Voting within two days of the passing of the resolutions at the 27th Annual General Meeting of the Company on 26th September 2019, and communicated to the Stock Exchanges where the Company's shares are listed.

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364
Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053;
Tel: +91 22 4001 2000, Fax: +91 22 4001 2011, Website: www.marksanspharma.com,
Email: companysecretary@marksanspharma.com

ATTENDANCE SLIP

Folio No. / Client ID: .... No. of Shares ....

Name of Member / Proxy: ....

I hereby record my presence at the 27th Annual General Meeting of the Company on Thursday, 26th September, 2019 at 10:30 a.m. at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053.

Member's/Proxy's Signature

Note: Members are requested to produce this attendance slip duly signed in accordance with their specimen signatures registered with the Company for admission to the Meeting.

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364
Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053;
Tel: +91 22 4001 2000, Fax: +91 22 4001 2011, Website: www.marksanspharma.com,
Email: companysecretary@marksanspharma.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-Mail ID:	
Folio No. / Client ID:	DP ID:

I/We, being the member (s) of .... Shares of the above named company, hereby appoint .

1 Name...

Address:..

E-mail Id: .... Signature:..or failing him

2 Name...

Address:..

E-mail Id: .... Signature:..or failing him

3 Name...

Address:..

E-mail Id: .... Signature:..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, 26th September, 2019 at 10:30 a.m. at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For*	Against*
Ordinary Business		
1. Adoption of Financial Statements for the year ended March 31, 2019.		
2. Declaration of dividend on equity shares and preference shares for the year ended March 31, 2019.		
3. Re-appointment of Mrs. Sandra Saldanha (DIN: 00021023) who retires by rotation and being eligible offers herself for re-appointment		
Special Business		
4. Appointment of Mr. Abhinna Sundar Mohanty (DIN: 00007995) as an Independent Director of the Company.		
5. Approval of Marksans Employees Stock Option Scheme 2019.		

Affix
Revenue
Stamp

Signed this……………………… day of …..…………………… 2019

………………………………………………………… …………………………………………………………

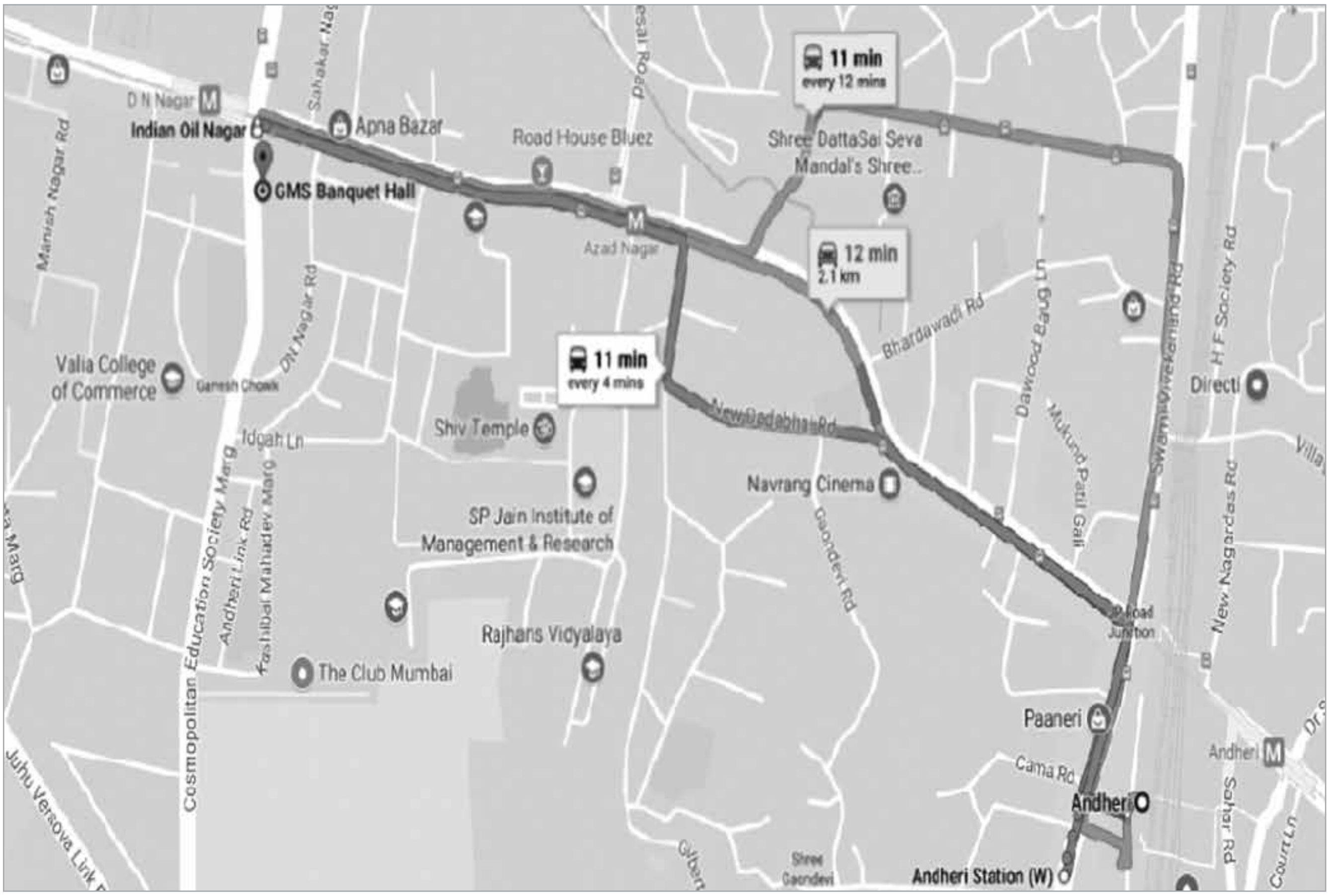
Signature of Shareholder(s) Signature of Proxy holder(s):

Notes:

1. **The Proxy Form in order to be effective should be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.**
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

*4. This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROUTE MAP FROM ANDHERI RAILWAY STATION TO GMS BANQUET (VENUE OF AGM)



NOTES

Corporate Information

Board of Directors
Mr. Mark Saldanha
Chairman & Managing Director
(DIN: 00020983)

Mrs. Sandra Saldanha
Whole-time Director
(DIN: 00021023)

Dr. Vinay Gopal Nayak
Whole-time Director
(DIN: 02577389) (upto 31.12.2018)

Mr. Varddhman V. Jain
Whole-time Director
(DIN: 08338573) (w.e.f. 24.01.2019)

Mr. Seetharama R. Buddharaju
Independent Director
(DIN: 03630668)

Mr. Ajay S. Joshi
Independent Director
(DIN: 00947684) (upto 31.03.2019)

Mr. Digant Mahesh Parikh
Independent Director
(DIN: 00212589)

Mr. Abhinna Sundar Mohanty
Independent Director
(DIN: 00007995) (w.e.f. 11.07.2019)

Registered Office
11th Floor, Grandeur,
Veera Desai Extension Road,
Oshiwara, Andheri (West),
Mumbai - 400 053.

CIN
L24110MH1992PLC066364

Registrar & Share Transfer Agent
Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road,
Near Keys Hotel, Marol, Andheri (East),
Mumbai - 400 059.

Legal advisors
Crawford Bayley & Co.

Bankers
State Bank of India
Bank of Baroda

Works
1 L-82 & 83, Verna Industrial Estate,
Verna, Goa - 403 722.

2 Bell, Sons & Co. (Druggists) Ltd.
Gifford House, Slaidburn Crescent,
Southport, PR9 9AL.

3 Time-Cap Laboratories Inc.
7, Michael Avenue, Farmingdale,
New York- 11735, USA.

27th Annual General Meeting
Day & Date:
Thursday, 26th September, 2019
Time: 10:30 a.m.

Venue: GMS Banquet, Next to D. N. Nagar
Metro Station, Opp. Indian Oil Nagar, New
Link Road, Andheri (West),
Mumbai - 400 053.

Key Management Personnel
Mr. Mark Saldanha
Chairman & Managing Director

Mrs. Sandra Saldanha
Whole-time Director

Mr. Varddhaman V. Jain
Whole-time Director

Mr. Jitendra Sharma
Chief Financial Officer

Company Secretary & Manager - Legal
Mr. Harshavardhan Panigrahi

Statutory Auditors
M/s Bhuta Shah & Co. LLP

Secretarial Auditor
Ms. Khushboo Bakul Gopani

Marksans Pharma Ltd.